



# Demographics & Economics of Study Area & City



# Demographics and Economics

This section includes:

- An overview of the Tucson region (from Wikipedia)
- A summary of Tucson's Economic Blueprint and the Strategic Analysis Report used to develop it produced by Tucson Regional Economic Opportunities (TREO) – the regional economic development organization
- Demographic, income, and employment information specific to downtown put together by the Downtown Tucson Partnership
- A downtown Tucson housing opportunity study conducted by Economic Research Associates in 2005
- Information about the University of Arizona, which is 1.5 northeast of the study area, along the streetcar route



# Tucson, Arizona

From Wikipedia, the free encyclopedia

(Redirected from Tucson)

Coordinates: 32°13′18″N 110°55′35″W﻿ / ﻿

**Tucson** (/ˈtuːsɒn/) is a city in and the county seat of Pima County, Arizona, United States,<sup>[1]</sup> and home to the University of Arizona. The 2010 United States Census puts the city's population at 520,116,<sup>[2]</sup> while the 2012 estimated population of the entire Tucson metropolitan area was 992,394.<sup>[3]</sup> The **Tucson MSA** forms part of the larger Tucson-Nogales combined statistical area, with a total population of 980,263 as of the 2010 Census. Tucson is the second-largest populated city in Arizona behind Phoenix, which both anchor the Arizona Sun Corridor. The city is <sup>[1]</sup> located 108 miles (174 km) southeast of Phoenix and 60 mi (97 km) north of the U.S.-Mexico border. Tucson is the 33rd largest city and the 52nd largest metropolitan area in the United States. Roughly 150 Tucson companies are involved in the design and manufacture of optics and optoelectronics systems, earning Tucson the nickname Optics Valley.

Major incorporated suburbs of Tucson include Oro Valley and Marana northwest of the city, Sahuarita south of the city, and South Tucson in an enclave south of downtown. Communities in the vicinity of Tucson (some within or overlapping the city limits) include Casas Adobes, Catalina Foothills, Flowing Wells, Tanque Verde, Tortolita, and Vail. Towns outside the Tucson metro area include Benson to the southeast, Catalina and Oracle to the north, and Green Valley to the south.

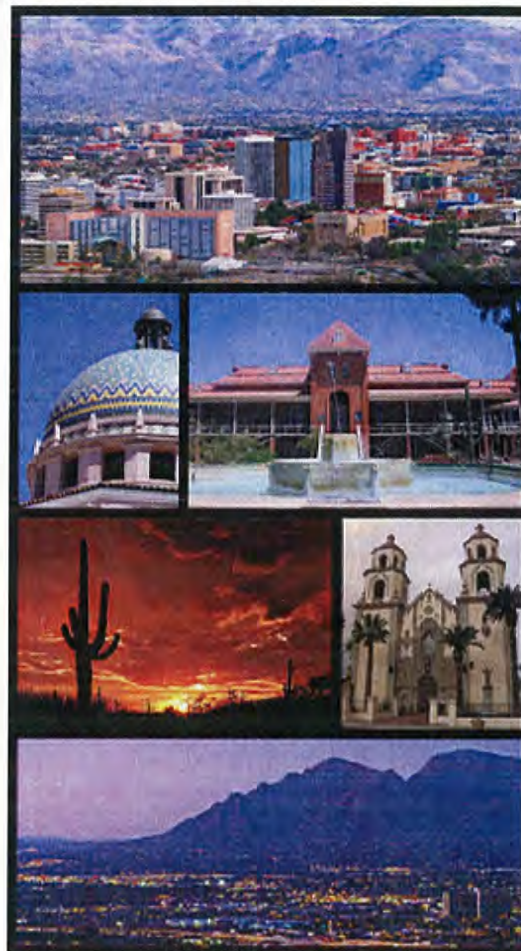
The English name *Tucson* derives from the Spanish name of the city, *Tucsón* [tuk'son], which was borrowed from the O'odham name [tʃuk ʂɔːn], meaning "(at the) base of the black [hill]", a reference to an adjacent volcanic mountain. Tucson is sometimes referred to as "The Old Pueblo."

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### Tucson, Arizona

#### City

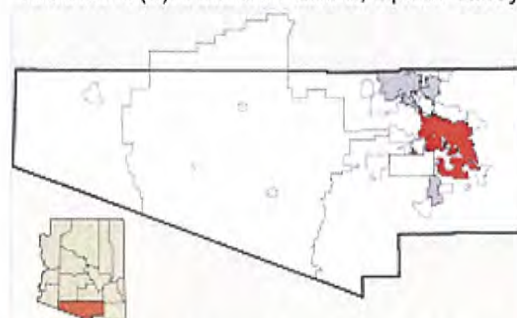


From upper left: Downtown Tucson Skyline, Pima County Courthouse, Old Main, University of Arizona, Saguaro National Park, St. Augustine Cathedral, Santa Catalina Mountains



Flag

Nickname(s): The Old Pueblo, Optics Valley



Location in Pima County and the state of Arizona



- 9.1 Annual cultural events and fairs
  - 9.1.1 Tucson Gem and Mineral Show
  - 9.1.2 Tucson Festival of Books
  - 9.1.3 Tucson Folk Festival
  - 9.1.4 Fourth Avenue Street Fair
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Location in the United States  
Coordinates: 32°13′18″N 110°55′35″W﻿ / ﻿

<b>Country</b>	United States
<b>State</b>	Arizona
<b>County</b>	Pima
<b>Government</b>	
<span> </span> • <span> </span> <b>Type</b>	Council-manager government
<span> </span> • <span> </span> <b>Mayor</b>	Jonathan Rothschild (D)
<b>Area</b>	
<span> </span> • <span> </span> <b>City</b>	227.0 <span> </span> sq <span> </span> mi (588.0 <span> </span> km <sup>2</sup> )
<span> </span> • <span> </span> <b>Land</b>	226.7 <span> </span> sq <span> </span> mi (587.2 <span> </span> km <sup>2</sup> )
<span> </span> • <span> </span> <b>Water</b>	0.3 <span> </span> sq <span> </span> mi (0.8 <span> </span> km <sup>2</sup> )
<b>Elevation</b>	2,389 <span> </span> ft (728 <span> </span> m)
<b>Population</b> (2012)	
<span> </span> • <span> </span> <b>City</b>	524,295 (33rd)
<span> </span> • <span> </span> <b>Density</b>	2,793.6/sq <span> </span> mi (1,078.8/km <sup>2</sup> )
<span> </span> • <span> </span> <b>Urban</b>	843,168 (52nd)
<span> </span> • <span> </span> <b>Metro</b>	992,394 (53rd)
<span> </span> • <span> </span> <b>Demonym</b>	Tucsonan
<b>Time zone</b>	MST (UTC-7)
<span> </span> • <span> </span> <b>Summer (DST)</b>	no DST (UTC-7)
<b>ZIP codes</b>	85701-85775
<b>Area code</b>	520
<b>FIPS code</b>	04-77000
<b>Website</b>	<span>www.tucsonaz.gov</span> ( <span>http://www.tucsonaz.gov/</span> )
<sup>1</sup> Urban = 2010 Census	

## History

*Main article: History of Tucson, Arizona*

*See also: Timeline of Tucson, Arizona history*

Tucson was probably first visited by Paleo-Indians, known to have been in southern Arizona by about 12,000 years ago. Recent archaeological excavations near the Santa Cruz River have located a village site dating from 2100 BC.<sup>[*citation needed*]</sup> The floodplain of the Santa Cruz River was extensively farmed during the Early Agricultural period, circa 1200 BC to AD 150. These people constructed irrigation canals and grew corn, beans, and other crops while gathering wild plants and hunting animals. The Early Ceramic period occupation of Tucson saw the first extensive use of pottery vessels for cooking and storage. The groups designated by archaeologists as the Hohokam lived in the area from AD 600 to 1450 and are known for their vast irrigation canal systems as well as their red-on-brown pottery.<sup>[*citation needed*]</sup>

Jesuit missionary Eusebio Francisco Kino visited the Santa Cruz River valley in 1692, and founded the Mission San Xavier del Bac in 1700 about 7 mi (11 km) upstream from the site of the settlement of Tucson. A separate Convento settlement was founded downstream along the then flowing Santa Cruz River, near the base of what is now "A" mountain. Hugo O'Connor, the founding father of the city of Tucson, Arizona authorized the construction of a military fort in that location, *Presidio San Agustín del Tucsón*, on August 20, 1775 (near the present downtown Pima County Courthouse). During the Spanish period of the presidio, attacks such as the Second Battle of Tucson were repeatedly mounted by Apaches. Eventually the town came to be called "Tucson" and became a part of Mexico after Mexico gained independence from Spain in 1821. Tucson was captured by the Mormon Battalion during the Mexican-American War, but later returned to Mexican control. Tucson was not included in the Mexican Cession – it was following the Gadsden Purchase in 1853 that Tucson became a part of the United States of America, although the American military did not formally take over control of



the community until March 1856. In 1857 Tucson became a stage station on the San Antonio-San Diego Mail Line and in 1858 became 3rd division headquarters of the Butterfield Overland Mail until the line shut down in March 1861. The Overland Mail Corporation attempted to continue operations, however following the Bascom Affair, devastating Apache attacks on the stations and coaches ended operations in August 1861.<sup>[*citation needed*]</sup>

From August 1861 to mid-1862, Tucson was the western capital of the Confederate Arizona Territory, the eastern capital being Mesilla. In 1862 the California Column drove the Confederate forces out of Arizona. Tucson and all of what is now Arizona was part of New Mexico Territory until 1863, when it became part of the new Arizona Territory. From 1867 to 1877, Tucson was the capital of the Arizona Territory. Southern Arizona was legally bought from Mexico in the Gadsden Purchase on June 8, 1854. Tucson was incorporated in 1877, making it the oldest incorporated city in Arizona.



Tucson's Stone Avenue in 1880

From 1877 to 1878, the Tucson area suffered from a rash of stagecoach robberies. Most notably, however, were the two robberies committed by masked road-agent William Whitney Brazelton.<sup>[4]</sup> Brazelton held up two stages in the summer of 1878 near Point of Mountain Station approximately seventeen miles northwest of Tucson. John Clum, of Tombstone, Arizona fame was one of the passengers and Brazelton would eventually be tracked down and killed on Monday August 19, 1878, in a mesquite bosque along the Santa Cruz River three miles south of Tucson by Pima County Sheriff Charles A. Shibell and his citizen's posse. Brazelton had been suspected of highway robbery not only in the Tucson area, but also in the Prescott region and Silver City, New Mexico area as well. Brazelton's crimes prompted John J. Valentine, Sr. of Wells, Fargo & Co. to send special agent and future Pima County sheriff Bob Paul to

investigate.<sup>[4]</sup> Fort Lowell, then east of Tucson, was established to help protect settlers from Apache attacks. In 1882, Frank Stilwell was implicated in the murder of Morgan Earp by Cowboy Pete Spence's wife, Marietta, at the coroner's inquest on Morgan Earp's shooting. The coroner's jury concluded that Spence, Stilwell, Frederick Bode, and Florentino "Indian Charlie" Cruz were the prime suspects in the assassination of Morgan Earp.<sup>[5]</sup> :250 Deputy U.S. Marshal Wyatt Earp gathered a few friends he could trust and accompanied Virgil Earp and his family as they traveled to Benson for a train ride to California. They found Stilwell lying in wait for Virgil in the Tucson train station and killed him on the train tracks.<sup>[6]</sup> After killing Stilwell, Wyatt deputized others and rode on a vendetta, killing three more Cowboys over the next few days before leaving the state.

In 1885, the University of Arizona, was founded as a land-grant college on over-grazed ranch land between Tucson and Fort Lowell. In 1890, Asians made up 4.2% of the city's population.<sup>[7]</sup>

By 1900, 7,531 people lived in the city. The population increased gradually to 13,913 in 1910. At about this time, the U.S. Veterans Administration had begun construction on the present Veterans Hospital. Many veterans who had been gassed in World War I and were in need of respiratory therapy began coming to Tucson after the war, due to the clean dry air. Over the following years the city continued to grow, with the population increasing to 20,292 in 1920 and 36,818 in 1940. In 2006 the population of Pima County, in which Tucson is located, passed one million while the City of Tucson's population was 535,000.

In 1912, when Arizona statehood became reality, the total number of different flags that had flown over Tucson now numbered five: American, Spanish, Mexican, Confederate, and the State of Arizona.<sup>[8]</sup>



Tucson, Arizona in 1909

During the territorial and early statehood periods, Tucson was Arizona's largest city and commercial center, while Phoenix was the seat of state government (beginning in 1889) and agriculture. The establishment of Tucson Municipal Airport increased its prominence. Between 1910 and 1920, Phoenix surpassed Tucson in population, and has continued to outpace Tucson in growth. In recent years, both Tucson and Phoenix have experienced some of the highest growth rates in the United States.

## Nicknames



Tucson is commonly known as "The Old Pueblo". While the exact origin of this nickname is uncertain, it is commonly traced back to Mayor R. N. "Bob" Leatherwood. When rail service was established to the city on March 20, 1880, Leatherwood celebrated the fact by sending telegrams to various leaders, including the President of the United States and the Pope, announcing that the "ancient and honorable pueblo" of Tucson was now connected by rail to the outside world. The term became popular with newspaper writers who often abbreviated it as "A. and H. Pueblo". This in turn transformed into the current form of "The Old Pueblo".<sup>[9]</sup>

In the early 1980s, city leaders ran a contest searching for a new nickname. The winning entry was the "Sunshine Factory".<sup>[10]</sup> The new nickname never gained popular acceptance, allowing the old name to remain in common use.<sup>[11]</sup> Tucson was dubbed "Optics Valley" in 1992 when *Business Week* ran a cover story on the Arizona Optics Industry Association.<sup>[12]</sup>

## Geography



Tucson, as seen from space. The four major malls are indicated by blue arrows.

According to the United States Census Bureau, as of 2010, the City of Tucson has a land area of 226.71 square miles (587.2 km<sup>2</sup>).

The city's elevation is 2,643 ft (806 m) above sea level (as measured at the Tucson International Airport).<sup>[13]</sup> Tucson is situated on an alluvial plain in the Sonoran desert, surrounded by five minor ranges of mountains: the Santa Catalina Mountains and the Tortolita Mountains to the north, the Santa Rita Mountains to the south, the Rincon Mountains to the east, and the Tucson Mountains to the west. The high point of the Santa Catalina Mountains is 9,157 ft (2,791 m) Mount Lemmon, the southernmost ski destination in the continental U.S., while the Tucson Mountains include 4,687 ft (1,429 m) Wasson Peak. The highest point in the area is Mount Wrightson, found in the Santa Rita Mountains at 9,453 ft (2,881 m) above sea level.

Tucson is located 118 mi (190 km) southeast of Phoenix and 60 mi (97 km) north of the United States - Mexico border. The 2010 United States Census puts the city's

population at 520,116 with a metropolitan area population at 1,020,200. In 2009, Tucson ranked as the 32nd largest city and 52nd largest metropolitan area in the United States. A major city in the Arizona Sun Corridor, Tucson is the largest city in southern Arizona, the second largest in the state after Phoenix. It is also the largest city in the area of the Gadsden Purchase.

The city is located on the Santa Cruz River, formerly a perennial river but now a dry river bed for much of the year that floods during significant seasonal rains.

Interstate 10, which runs southeast to northwest through town, connects Tucson to Phoenix to the northwest on the way to its western terminus in Santa Monica, California, and to Las Cruces, New Mexico and El Paso, Texas toward its eastern terminus in Jacksonville, Florida. I-19 runs south from Tucson toward Nogales and the U.S.-Mexico border. I-19 is the only Interstate highway that uses "kilometer posts" instead of "mileposts", although the speed limits are marked in miles per hour instead of kilometers per hour.

### Downtown and Central Tucson

Similar to many other cities in the Western U.S., Tucson was developed on a grid plan starting in the late 19th century, with the city center at Stone Avenue and Broadway Boulevard. While this intersection was initially near the geographic center of Tucson, that center has shifted as the city has expanded far to the east, development to the west being effectively blocked by the Tucson Mountains. An expansive city covering substantial area, Tucson has many distinct neighborhoods.

Tucson's earliest neighborhoods, some of which are now covered by the Tucson Convention Center, or TCC, include:

- El Presidio,<sup>[14]</sup> Tucson's oldest neighborhood



During wintertime, snow may fall in Tucson on rare occasions.



- Barrio Histórico,<sup>[15]</sup> also known as Barrio Libre
- Armory Park, directly south of downtown
- Barrio Anita,<sup>[16]</sup> named for an early settler and located between Granada Avenue and Interstate 10
- Barrio Tiburón, now known as the Fourth Avenue arts district – designated in territorial times as a red-light district
- Barrio El Jardín, named for an early recreational site, Levin's Gardens
- Barrio El Hoyo, named for a lake that was part of the gardens. Before the TCC was built, El Hoyo (Spanish for pit or hole) referred to this part of the city, which was inhabited mainly by Mexican-American citizens and Mexican immigrants.
- Barrio Santa Rosa, dating from the 1890s, now listed as a historic district on the National Register of Historic Places

Other historical neighborhoods near downtown include:

- Feldman's, named for an early resident photographer (with the streets "Helen" and "Mabel" named for his daughters)<sup>[17]</sup>
- Menlo Park, situated west of downtown, adjacent to "A Mountain" more correctly called Sentinel Peak
- Iron Horse, east of Fourth Avenue and north of the railroad tracks, named for its proximity
- West University, located between the University of Arizona and downtown
- Dunbar Spring, west of West University
- Pie Allen, located west and south of the university near Tucson High School and named for John Brackett "Pie" Allen, a local entrepreneur and early mayor of Tucson
- Sam Hughes, located east of the University of Arizona, named after a Tucson pioneer



A 19th-century adobe house in the Armory Park neighborhood

At the end of the first decade of the 21st century, downtown Tucson underwent a revitalization effort by city planners and the business community. The primary project was Rio Nuevo, a large retail and community center that has been stalled in planning for more than ten years.<sup>[18][19]</sup> Downtown is generally regarded as the area bordered by 17th Street to the south, I-10 to the west, and 6th Street to the north, and Toole Avenue and the Union Pacific (formerly Southern Pacific) railroad tracks, site of the historic train depot<sup>[20]</sup> and "Locomotive #1673", built in 1900. Downtown is divided into the Presidio District, the Barrio Viejo, and the Congress Street Arts and Entertainment District.<sup>[21]</sup> Some authorities include the 4th Avenue shopping district, which is set just northeast of the rest of downtown and connected by an underpass beneath the UPRR tracks.



Bikes along Congress Street near Fifth Avenue

Attractions downtown include the Hotel Congress designed in 1919, the Art Deco Fox Theater designed in 1929, the Rialto Theatre opened in 1920, and St. Augustine Cathedral completed in 1896.<sup>[22]</sup> Included on the National Register of Historic Places is the old Pima County Courthouse, designed by Roy Place in 1928.<sup>[23]</sup> The El Charro Café, Tucson's oldest restaurant, also operates its main location downtown.<sup>[24]</sup>

As one of the oldest parts of town, Central Tucson is anchored by the Broadway Village shopping center designed by local architect Josias Joesler at the intersection of Broadway Boulevard and Country Club Road. The 4th Avenue Shopping District between downtown and the University and the Lost Barrio just East of downtown, also have many unique and popular stores. Local retail business in Central Tucson is densely concentrated along Fourth Avenue and the Main Gate Square on University Boulevard near the UA campus. The El Con Mall is also located in the eastern part of midtown.

The University of Arizona, chartered in 1885, is located in midtown and includes Arizona Stadium and McKale Center. Historic Tucson High School (designed by Roy Place in 1924) featured in the 1987 film *Can't Buy Me Love*, the Arizona Inn (built in 1930), and the Tucson Botanical Gardens are also located in Central Tucson.



Tucson's largest park, Reid Park is located in midtown and includes Reid Park Zoo and Hi Corbett Field. Speedway Boulevard, a major east-west arterial road in central Tucson, was named the "ugliest street in America" by *Life* magazine in the early 1970s, quoting Tucson Mayor James Corbett. Despite this, Speedway Boulevard was awarded "Street of the Year" by *Arizona Highways* in the late 1990s. According to David Leighton, historical writer for the Arizona Daily Star newspaper, Speedway Boulevard derives its name from an old horse racetrack, known as "The Harlem River Speedway," more commonly called "The Speedway," in New York City. The street was called "The Speedway," from 1904 to about 1906 before the word "The" was taken out.<sup>[*citation needed*]</sup>

Central Tucson is bicycle-friendly. To the east of the University of Arizona, Third Street is bike-only except for local traffic and passes by the historic homes of the Sam Hughes neighborhood. To the west, E. University Boulevard leads to the Fourth Avenue Shopping District. To the North, N. Mountain Avenue has a full bike-only lane for half of the 3.5 miles (5.6 km) to the Rillito River Park bike and walk multi-use path. To the south, N. Highland Avenue leads to the Barraza-Aviation Parkway bicycle path.

## Southern Tucson



The recently restored Fox Theater is in downtown Tucson.

South Tucson is actually the name of an independent, incorporated town of one square mile, completely surrounded by the city of Tucson, sitting just south of downtown. South Tucson has a colorful, dynamic history. It was first incorporated in 1936, and later reincorporated in 1940. The population consists of about 83% Mexican-American and 10% Native American residents. South Tucson is widely known for its many Mexican restaurants and the architectural styles which include bright outdoor murals, many of which have been painted over due



University of Arizona Main Library



Tucson International Airport when it was under renovation

to city policy.<sup>[25][26][27]</sup>

The South side of the city of Tucson is generally considered to be the area of approximately 25 sq mi (65 km<sup>2</sup>) north of Los Reales Road, south of 22nd Street, east of I-19, west of Davis Monthan Air Force Base and southwest of Aviation Parkway. The Tucson International Airport and Tucson Electric Park are located here.<sup>[*citation needed*]</sup>

## Western Tucson

A combination of urban and suburban development, the West Side is generally defined as the area west of I-10. Western Tucson encompasses the banks of the Santa Cruz River and the foothills of the Tucson Mountains, and includes the International Wildlife Museum, Sentinel Peak, and the Marriott Starr Pass Resort & Spa. Moving past the Tucson Mountains, travelers find themselves in the area commonly referred to as "west of" Tucson or "Old West Tucson".<sup>[28]</sup> A large undulating plain extending south into the Altar Valley, rural residential development predominates, but here you will also find major attractions including Saguaro National Park West, the Arizona-Sonora Desert Museum, and the Old Tucson Studios movie set/theme park.



On Sentinel Peak (also known as "'A' Mountain"), just west of downtown, there is a giant "A" in honor of the University of Arizona. Starting in about 1910, a yearly tradition developed for freshmen to whitewash the "A", which was visible for miles. However, at the beginning of the Iraq War, anti-war activists painted it black.<sup>[*citation needed*]</sup> This was followed by a paint scuffle where the "A" was painted various colors until the city council intervened. It is now red, white and blue except when it is white or another color decided by a biennial election. Because of the three-color paint scheme often used, the shape of the A can be vague and indistinguishable from the rest of the peak. The top of Sentinel Peak, which is accessible by road, offers an outstanding scenic view of the city looking eastward. A parking lot located near the summit of Sentinel Peak was formerly a popular place to watch sunsets or view the city lights at night.



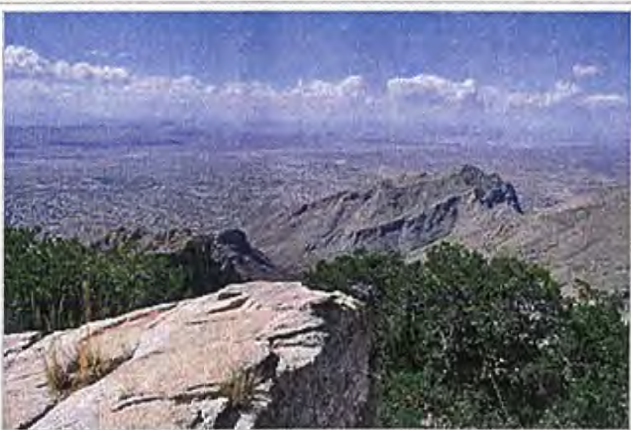
Panorama of western suburbs

## Northern Tucson

North Tucson includes the urban neighborhoods of Amphitheater and Flowing Wells. Usually considered the area north of Fort Lowell Road, North Tucson includes some of Tucson's primary commercial zones (Tucson Mall and the Oracle Road Corridor). Many of the city's most upscale boutiques, restaurants, and art galleries are also located on the north side, including St. Philip's Plaza. The Plaza is directly adjacent to the historic St. Philip's in the Hills Episcopal Church (built in 1936).

Also on the north side is the suburban community of Catalina Foothills, located in the foothills of the Santa Catalina Mountains just north of the city limits. This community includes among the area's most expensive homes, sometimes multi-million dollar estates. The Foothills area is generally defined as north of River Road, east of Oracle Road, and west of Sabino Creek. Some of the Tucson area's major resorts are located in the Catalina Foothills, including the Hacienda Del Sol, Westin La Paloma Resort, Loews Ventana Canyon Resort and Canyon Ranch Resort. La Encantada, an upscale outdoor shopping mall, is also in the Foothills.

The DeGrazia Gallery of the Sun is located near the intersection of Swan Road and Skyline Drive. Built by artist Ted DeGrazia starting in 1951, the 10-acre (40,000 m<sup>2</sup>) property is listed on the National Register of Historic Places and features an eclectic chapel, an art gallery, and a free museum.



Northwestern suburbs from the Santa Catalina Mountains

The expansive area northwest of the city limits is diverse, ranging from the rural communities of Catalina and parts of the town of Marana, the small suburb of Picture Rocks, the affluent town of Oro Valley in the western foothills of the Santa Catalina Mountains, and residential areas in the northeastern foothills of the Tucson Mountains. Continental Ranch (Marana), Dove Mountain (Marana), and Rancho Vistoso (Oro Valley) are all masterplanned communities located in the Northwest, where thousands of residents live.

The community of Casas Adobes is also on the Northwest Side, with the distinction of being Tucson's first suburb, established in the late 1940s. Casas Adobes is centered on the historic Casas Adobes Plaza (built in 1948). Casas Adobes is also home to Tohono Chul Park (a nature preserve) near the intersection of North Oracle Road and West Ina Road. The attempted assassination of Representative Gabrielle Giffords, and the

murders of chief judge for the U.S. District Court for Arizona, John Roll and five other people on January 8, 2011, occurred at the La Toscana Village in Casas Adobes. The Foothills Mall is also located on the northwest side in Casas Adobes.



Mountain lion at the Arizona-Sonora Desert Museum



Many of the Tucson area's golf courses and resorts are located in this area, including the Hilton El Conquistador Golf & Tennis Resort in Oro Valley, the Omni Tucson National Resort & Spa, and Westward Look Resort. The Ritz Carlton at Dove Mountain, the second Ritz Carlton Resort in Arizona, which also includes a golf course, opened in the foothills of the Tortolita Mountains in northeast Marana in 2009. Catalina State Park and Tortolita Mountain Park are also located in the Northwest area.

## Eastern Tucson

East Tucson is relatively new compared to other parts of the city, developed between the 1950s and the 1970s,<sup>[*citation needed*]</sup> with developments such as Desert Palms Park. It is generally classified as the area of the city east of Swan Road, with above-average real estate values relative to the rest of the city. The area includes urban and suburban development near the Rincon Mountains. East Tucson includes Saguaro National Park East. Tucson's "Restaurant Row" is also located on the east side, along with a significant corporate and financial presence. Restaurant Row is sandwiched by three of Tucson's storied Neighborhoods: Harold Bell Wright Estates, named after the famous author's ranch which occupied some of that area prior to the depression; the Tucson Country Club, and the Dorado Country Club. Tucson's largest office building is 5151 East Broadway in east Tucson, completed in 1975. The first phases of Williams Centre, a mixed-use, master-planned development on Broadway near Craycroft Road, were opened in 1987. Park Place, a recently renovated shopping center, is also located along Broadway (west of Wilmot Road).

Near the intersection of Craycroft and Ft. Lowell Roads are the remnants of the Historic Fort Lowell. This area has become one of Tucson's iconic neighborhoods. The Fort abandoned at the end of the 19th century was rediscovered by a trio of artists in the 1930s.<sup>[*citation needed*]</sup> The Bolsius family Pete, Nan and Charles Bolsius purchased and renovated surviving adobe buildings of the Fort – transforming them into spectacular artistic southwestern architectural examples. Their woodwork, plaster treatment and sense of proportion drew on their Dutch heritage and New Mexican experience.<sup>[*citation needed*]</sup> Other artists and academics throughout the middle of the 20th century, including: Win Ellis, Jack Maul, Madame Cheruy, Giorgio Belloli, Charels Bode, Veronica Hughart, Edward and Rosamond Spicer, Hazel Larson Archer and Ruth Brown, renovated adobes, built homes and lived in the area. The artist colony attracted writers and poets including beat generation Alan Harrington and Jack Kerouac whose visit is documented in his iconic book *On The Road*. This rural pocket in the middle of the city is listed on the National Register of Historic Places. Each year in February the neighborhood celebrates its history in the City Landmark it owns and restored the San Pedro Chapel.<sup>[*citation needed*]</sup>

Situated between the Santa Catalina Mountains and the Rincon Mountains near Redington Pass northeast of the city limits is the affluent community of Tanque Verde. The Arizona National Golf Club, Forty-Niners Country Club, and the historic Tanque Verde Guest Ranch are also in northeast Tucson.

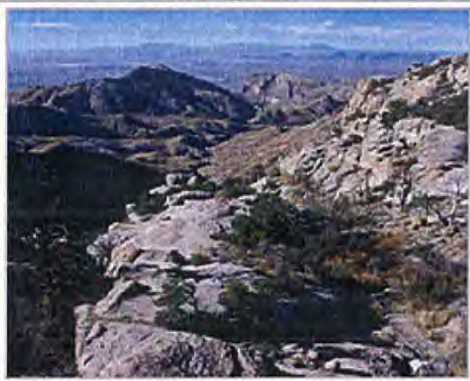


Retired B-52s are stored in the boneyard at Davis-Monthan Air Force Base



Southeast Tucson continues to experience rapid residential development. The area includes Davis-Monthan Air Force Base. The area is considered to be south of Golf Links Road. It is the home of Santa Rita High School, Chuck Ford Park (Lakeside Park), Lakeside Lake, Lincoln Park (upper and lower), The Lakecrest Neighborhoods, and Pima Community College East Campus. The Atterbury Wash with its access to excellent bird watching is also located in the Southeast Tucson area. The suburban community of Rita Ranch houses many of the military families from Davis-Monthan, and is near the southeastern-most expansion of the current city limits. Close by Rita Ranch and also within the city limits lies Civano, a planned development meant to showcase ecologically sound building practices and lifestyles.

## Mount Lemmon



A view of Tucson from Windy Point, at elevation 6,580 feet (2,010 m) along the road up Mt. Lemmon

Mount Lemmon, the highest peak of the Santa Catalina Mountains, reaches an elevation of 9,157 feet (2,791 m) above sea level. The mountain is named after 19th century botanist Sara Lemmon. She was the first documented European to ascend to the peak and was purportedly guided by local Tohono O'odham up through Babad Do'ag (the O'odham name for the Santa Catalina Mountains).<sup>[29]</sup> Lemmon botanized extensively along the way, including collecting the plant *Tagetes lemmonii* which is now called the Mount Lemmon marigold.

Catalina Highway stretches 25 miles (40 km) and the entire mountain range is one of Tucson's most popular vacation spots for cycling, hiking, rock climbing, camping, birding, and wintertime snowboarding and skiing. Near the top of Mt. Lemmon is the town of Summerhaven. In Summerhaven, visitors will find log houses and cabins, a general store, and various shops, as well as numerous hiking trails. Near Summerhaven is the road to Ski Valley which hosts a ski lift, several runs, a giftshop, and nearby restaurant.

Mt. Lemmon Sky Center, which is located at a Steward Observatory site known as 'Sky Island', sits 9,152 feet (2,790 m) in altitude on the summit of Mt.

Lemmon. As one of the Southwestern United States's 27 unique Sky Islands,<sup>[30]</sup> this science learning facility is open to the public.<sup>[31]</sup>

## Climate

Tucson has hot summers and temperate winters. Tucson is almost always cooler and wetter than Phoenix because of its higher elevation.

Tucson has a desert climate (Köppen *Bwh*), with two major seasons, summer and winter; plus three minor seasons: fall, spring, and the monsoon. Though Tucson receives more precipitation than most other locations with desert climates, it still qualifies due to its high evapotranspiration in spite of receiving 11.8 inches (299.7 mm) of precipitation per year; in other words, it experiences a high net loss of water.<sup>[32]</sup> A similar scenario is seen in Alice Springs, Australia which averages 11 inches (279.4 mm) a year, but has a desert climate.

The most obvious difference of climate from most other inhabited regions is the hot and sunny climate. This difference is a major contributing factor to a rate of skin cancer that is at least 3 times higher than in more northerly regions.<sup>[33]</sup> Media reports heat related deaths increasing among illegal immigrants in and around Tucson. Heatstroke related deaths have been recorded since 1999 in the Pima County Area.<sup>[34]</sup>

Summer is characterized by daytime temperatures that exceed 100 °F (38 °C) and overnight temperatures between 66 and 85 °F (19 and 29 °C). Early summer is characterized by low humidity and clear skies; mid-summer and late summer are characterized by higher humidity, cloudy skies and frequent rain.

The monsoon can begin any time from mid-June to late July, with an average start date around July 3. It typically continues through August and sometimes into September.<sup>[35]</sup> During the monsoon, the humidity is much higher than the rest of the year. It begins with clouds building up from the south in the early afternoon followed by intense thunderstorms and rainfall, which can cause flash floods. The evening sky at this time of year is often pierced with dramatic lightning strikes. Large areas of the city do not have storm sewers, so monsoon rains flood the main thoroughfares, usually for no longer than a few hours. A few underpasses in Tucson have "feet of water" scales painted on their supports to discourage



Snow on Wasson Peak



fording by automobiles during a rainstorm.<sup>[36]</sup> Arizona traffic code Title 28-910, the so-called "Stupid Motorist Law", was instituted in 1995 to discourage people from entering flooded roadways. If the road is flooded and a barricade is in place, motorists who drive around the barricade can be charged up to \$2000 for costs involved in rescuing them.<sup>[37]</sup> Despite all warnings and precautions, however, three Tucson drivers have drowned between 2004 and 2010.

The weather in the fall is much like that during spring: dry, with cool nights and warm, hot days. Temperatures above 100 °F (38 °C) are possible into early October. Temperatures decline at the quickest rate in October and November, and are normally the coolest in late December and early January.

Winters in Tucson are mild relative to other parts of the United States. Daytime highs in the winter range between 64 and 75 °F (18 and 24 °C), with overnight lows between 30 and 44 °F (−1 and 7 °C). Tucson typically averages one hard freeze per winter season, with temperatures dipping to the mid or low-20s (−7 to −4 °C), but this is typically limited to only a very few nights. The last notable hard freeze occurred on February 3–4, 2011, when the temperature dipped to 18 °F (−8 °C) on two consecutive nights. Although rare, snow has been known to fall in Tucson, usually a light dusting that melts within a day. The most recent snowfall was on February 20, 2013 when 2.0 inches of snow blanketed the city, the largest snowfall in several years.

Early spring is characterized by gradually rising temperatures and several weeks of vivid wildflower blooms beginning in late February and into March. During this time of year the diurnal temperature variation normally attains its maximum, often surpassing 30 °F (17 °C).

At the University of Arizona, where records have been kept since 1894, the record maximum temperature was 115 °F (46 °C) on June 19, 1960, and July 28, 1995, and the record minimum temperature was 6 °F (−14 °C) on January 7, 1913. There are an average of 150.1 days annually with highs of 90 °F (32 °C) or higher and an average of 26.4 days with lows reaching or below the freezing mark. Average annual precipitation is 11.15 in (283 mm). There is an average of 49 days with measurable precipitation. The wettest year was 1905 with 24.17 in (614 mm) and the driest year was 1924 with 5.07 in (129 mm). The most precipitation in one month was 7.56 in (192 mm) in July 1984. The most precipitation in 24 hours was 4.16 in (106 mm) on October 1, 1983. Annual snowfall averages 0.7 in (1.8 cm). The most snow in one year was 7.2 in (18 cm) in 1987. The most snow in one month was 6.0 in (15 cm) in January 1898 and March 1922.<sup>[38]</sup>

At the airport, where records have been kept since 1930, the record maximum temperature was 117 °F (47 °C) on June 26, 1990, and the record minimum temperature was 16 °F (−9 °C) on January 4, 1949. There is an average of 145.0 days annually with highs of 90 °F (32 °C) or higher and an average of 16.9 days with lows reaching or below the freezing mark. Measurable precipitation falls on an average of 53 days. The wettest year was 1983 with 21.86 in (555 mm) of precipitation, and the driest year was 1953 with 5.34 in (136 mm). The most rainfall in one month was 7.93 in (201 mm) in August 1955. The most rainfall in 24 hours was 3.93 in (100 mm) on July 29, 1958. Snow at the airport averages only 1.1 in (2.8 cm) annually. The most snow received in one year was 8.3 in (21 cm) and the most snow in one month was 6.8 in (17 cm) in December 1971.<sup>[39]</sup>



Monsoon clouds blanket the Catalina Mountains in August 2005



Saguaro at Sunset from Saguaro National Park Rincon District



Climate data for Tucson, Arizona (Tucson Int'l), 1981–2010 normals													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>Record high °F (°C)</b>	88 (31)	92 (33)	99 (37)	104 (40)	111 (44)	117 (47)	114 (46)	112 (44)	107 (42)	102 (39)	94 (34)	85 (29)	117 (47)
<b>Average high °F (°C)</b>	65.5 (18.6)	68.6 (20.3)	74.2 (23.4)	82.2 (27.9)	91.7 (33.2)	100.4 (38)	99.8 (37.7)	97.4 (36.3)	94.5 (34.7)	84.9 (29.4)	73.5 (23.1)	64.9 (18.3)	83.1 (28.4)
<b>Average low °F (°C)</b>	39.8 (4.3)	42.3 (5.7)	46.2 (7.9)	52.1 (11.2)	60.5 (15.8)	69.4 (20.8)	74.5 (23.6)	73.4 (23)	68.7 (20.4)	57.3 (14.1)	46.1 (7.8)	39.4 (4.1)	55.8 (13.2)
<b>Record low °F (°C)</b>	6 (−14)	17 (−8)	20 (−7)	27 (−3)	32 (0)	43 (6)	49 (9)	55 (13)	43 (6)	26 (−3)	19 (−7)	10 (−12)	6 (−14)
<b>Precipitation inches (mm)</b>	0.93 (23.6)	0.85 (21.6)	0.73 (18.5)	0.31 (7.9)	0.23 (5.8)	0.20 (5.1)	2.25 (57.2)	2.39 (60.7)	1.28 (32.5)	0.88 (22.4)	0.57 (14.5)	0.93 (23.6)	11.56 (293.6)
<b>Snowfall inches (cm)</b>	0.3 (0.8)	0.2 (0.5)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0.1 (0.3)	0.6 (1.5)
<b>Avg. precipitation days (≥ 0.01 in)</b>	4.9	4.1	3.9	2.0	1.8	1.7	9.8	9.7	4.4	3.2	2.7	4.7	52.9
<b>Avg. snowy days (≥ 0.1 in)</b>	0.2	0.2	0	0	0	0	0	0	0	0	0	0.1	0.5
<b>Percent possible sunshine</b>	80	82	86	90	92	93	78	80	87	88	84	79	85
Source #1: NOAA, <sup>[40]</sup> Average Percent Sunshine through 2009 <sup>[41]</sup>													
Source #2: The Weather Channel (Records) <sup>[42]</sup>													

## Environmental Issues

### Sustainability



Snow in nearby Santa Catalina Mountains

Perhaps, the biggest sustainability problem in Tucson is potable water supply. Household water use comprises the principal consumption of the water supply, with agriculture a close second. Like golf courses, agricultural lands are turning toward reclaimed water. Mining and other industrial water uses combined accounted for about a 15 percent of water use in 1997.<sup>[43]</sup> Massive drawing down of groundwater resources over the last 100 years has occurred, visible as ground subsidence in some residential areas.<sup>[citation needed]</sup>

To prevent further loss of groundwater, Tucson has been involved in water conservation and groundwater preservation efforts, shifting away from its reliance on a series of Tucson area wells in favor of conservation, consumption-based pricing for residential and commercial water use, and new wells in the more sustainable Avra Valley aquifer, northwest of the city. An allocation from the Central Arizona Project Aqueduct (CAP), which passes more than 300 mi (480 km) across the desert from the Colorado River, has been incorporated into

the city's water supply, annually providing over 20 million gallons of "recharged" water which is pumped into the ground to replenish water pumped out.<sup>[44]</sup> Since 2001, CAP water has allowed the city to remove or turn off over 80 wells.<sup>[45]</sup>

Davis-Monthan AFB is locally leading the way with a 3.3 Megawatt (MW) ground-mounted solar photovoltaic (PV) array and a 2.7 MW rooftop-mounted PV array, both of which are located in the Base Housing area. The base will soon have the largest solar-generating capacity in the United States Department of Defense after awarding a contract on September 10, 2010, to SunEdison to construct a 14.5 MW PV field on the northwestern side of the base.<sup>[46]</sup>

Global Solar Energy, which is located at the University of Arizona's science and technology park, is one of the planet's largest CIGS solar fields at 750 kilowatts.<sup>[47][48][49]</sup>

### Water

Less than 100 years ago, the Santa Cruz River flowed nearly year-round through Tucson. This supply of water has slowly disappeared, causing Tucson to seek alternative sources.

In 1881, water was pumped from a well on the banks of the Santa Cruz River and flowed by gravity through pipes into the distribution system.<sup>[citation needed]</sup>



Tucson currently draws water from two main sources: Central Arizona Project (CAP) water and groundwater. In 1992, Tucson Water delivered CAP water to some customers that was referred to as being unacceptable due to discoloration, bad odor and flavor, as well as problems it caused some customers' plumbing and appliances. Tucson's city water currently consists of CAP water mixed with groundwater.

In an effort to conserve water, Tucson is recharging groundwater supplies by running part of its share of CAP water into various open portions of local rivers to seep into their aquifer.<sup>[50]</sup> Additional study is scheduled to determine the amount of water that is lost through evaporation from the open areas, especially during the summer. The City of Tucson already provides [reclaimed water] to its inhabitants, but it is only used for "applications such as irrigation, dust control, and industrial uses."<sup>[51]</sup> These resources have been in place for more than 27 years, and deliver to over 900 locations.<sup>[52]</sup>

## Light Pollution

Tucson and Pima County adopted ordinances to control light pollution in support of the region's astronomical observatories in 1972.<sup>[53]</sup> Last amended in 2012,<sup>[54]</sup> the City of Tucson/Pima County Outdoor Lighting Code establishes maximum illumination levels, shielding requirements, and limits on signage in "continuing support of astronomical activity and minimizing wasted energy, while not compromising the safety, security, and well being of persons engaged in outdoor nighttime activities."<sup>[55]</sup>

## Demographics

According to the 2010 American Census Bureau, the racial composition of Tucson was as follows:

- White: 69.7% (Non-Hispanic Whites: 47.2%)
- Black or African American: 5.0%
- Native American: 2.7%
- Asian: 2.9%
- Native Hawaiian and Other Pacific Islander: 0.2%
- Some other race: 17.8%
- Two or more races: 3.4%
- Hispanic or Latino (of any race): 41.6%; Mexican Americans made up 36.1% of the city's population.

As of the census of 2010, there were 520,116 people, 229,762 households, and 112,455 families residing in the city. The population density was 2,500.1 inhabitants per square mile (965.3/km²). There were 209,609 housing units at an average density of 1,076.7 per square mile (415.7/km²). The racial makeup of the city was 69.7% White, 5.0% Black or African-American, 2.7% Native American, 2.9% Asian, 0.2% Pacific Islander, 16.9% from other races, and 3.8% from two or more races. Hispanic or Latino of any race were 41.6% of the population.<sup>[59]</sup> Non-Hispanic Whites were 47.2% of the population in 2010,<sup>[59]</sup> down from 72.8% in 1970.<sup>[60]</sup>

There were 192,891 households out of which 29.0% had children under the age of 18 living with them, 39.7% were married couples living together, 13.8% had a female householder with no husband present, and 41.7% were non-families. 32.3% of all households were made up of individuals and 9.3% had someone living alone who was 65 years of age or older. The average household size was 2.42 and the average family size was 3.12.

In the inner-city, the population has 24.6% under the age of 18, 13.8% from 18 to 24, 30.5% from 25 to 44, 19.2% from 45 to 64, and 11.9% who were 65 years of age or older. The median age was 32 years. For every 100 females there were 96.0 males. For every 100 females age 18 and over, there were 93.3 males.

The median income for a household in the city was \$30,981, and the median income for a family was \$37,344. Males had a median income of \$28,548 versus \$23,086 for females. The per capita income for the city was \$16,322. About 13.7% of families and 18.4% of the population were below the poverty line, including 23.6% of those under age 18 and 11.0% of those age 65 or over.

Historical populations		
Census	Pop.	%±
<b>1850</b>	400	—
<b>1860</b>	915	128.8%
<b>1870</b>	3,215	251.4%
<b>1880</b>	7,007	117.9%
<b>1890</b>	5,150	−26.5%
<b>1900</b>	7,531	46.2%
<b>1910</b>	13,193	75.2%
<b>1920</b>	20,292	53.8%
<b>1930</b>	32,506	60.2%
<b>1940</b>	35,752	10.0%
<b>1950</b>	45,454	27.1%
<b>1960</b>	212,892	368.4%
<b>1970</b>	262,933	23.5%
<b>1980</b>	330,537	25.7%
<b>1990</b>	405,371	22.6%
<b>2000</b>	486,699	20.1%
<b>2010</b>	520,116	6.9%
<b>Est. 2012</b>	524,295	0.8%

sources:<sup>[56]</sup>

U.S. Decennial Census<sup>[57]</sup>  
2012 Estimate<sup>[58]</sup>



[61]

## Politics and government

Pima County supported John Kerry 53% to 47% in the 2004 U.S. Presidential Election,<sup>[62]</sup> and Barack Obama 54% to 46% in the 2008 U.S. Presidential Election.<sup>[63]</sup> In the latter year, Pima was the only county to vote against Arizona's gay marriage ban.<sup>[64]</sup>

In general, Tucson and Pima County support the Democratic Party, as opposed the state's largest metropolitan area, Phoenix, which usually supports the Republican Party. Congressional redistricting in 2013, following the publication of the 2010 Census, divided the Tucson area into three Federal Congressional districts (the first, second and third of Arizona). The city center is in the 3rd District, represented by Raul Grijalva, a Democrat, since 2003, while the more affluent residential areas to the south and east are in the 2nd District, represented by Democrat Ron Barber since 2012, and the exurbs north and west between Tucson and Phoenix in the 3rd District are represented by Democrat Ann Kirkpatrick since 2008.<sup>[65]</sup> The United States Postal Service operates post offices in Tucson. The Tucson Main Post Office is located at 1501 South Cherrybell Stravenue.<sup>[66]</sup>

## City government

Tucson follows the "weak mayor" model of the council-manager form of local government. The 6-member city council holds exclusive legislative authority, and shares executive authority with the mayor, who is elected by the voters independently of the council. An appointed city manager is responsible for the day-to-day operations of the city.

Both the council members and the mayor serve four-year terms; none face term limits. Council members are nominated by their wards via a ward-level primary held in September. The top vote-earners from each party then compete at-large for their ward's seat on the November ballot. In other words, on election day the whole city votes on all the council races up for that year. Council elections are severed: Wards 1, 2, and 4 (as well as the mayor) are up for election in the same year (most recently 2011), while Wards 3, 5, and 6 share another year (most recently 2009).

Tucson is known for being a trailblazer in voluntary partial publicly financed campaigns. Since 1985, both mayoral and council candidates have been eligible to receive matching public funds from the city. To become eligible, council candidates must receive 200 donations of \$10 or more (300 for a mayoral candidate). Candidates must then agree to spending limits equal to 33¢ for every registered Tucson voter, or \$79,222 in 2005 (the corresponding figures for mayor are 64¢ per registered voter, or \$142,271 in 2003). In return, candidates receive matching funds from the city at a 1:1 ratio of public money to private donations. The only other limitation is that candidates may not exceed 75% of the limit by the date of the primary. Many cities, such as San Francisco and New York City, have copied this system, albeit with more complex spending and matching formulas.

Mayor Jonathan Rothschild (D) was sworn into office on December 5, 2011, succeeding Robert E. Walkup (R), who took office in 1999.<sup>[67]</sup> Walkup was preceded by George Miller (D), 1991–1999; Tom Volgy (D), 1987–1991; Lew(is) Murphy (R), 1971–1987; and Jim Corbett (D), 1967–1971.

## Economy

Much of Tucson's economic development has been centered on the development of the University of Arizona, which is currently the second largest employer in the city. Davis-Monthan Air Force Base, located on the southeastern edge of the city, also provides many jobs for Tucson residents. Its presence, as well as the presence of the US Army Intelligence Center (Fort Huachuca, the largest employer in the region in nearby Sierra Vista), has led to the development of a significant number of high-tech industries, including government contractors, in the area. The city of Tucson is also a major hub for the Union Pacific Railroad's Sunset Route that links the Los Angeles ports with the South/Southeast regions of the country.

The City of Tucson, Pima County, the State of Arizona, and the private sector have all made commitments to create a growing, healthy economy<sup>[citation needed]</sup> with advanced technology industry sectors as its foundation. Raytheon Missile Systems, Texas Instruments, IBM, Intuit Inc., Universal Avionics, Sunquest



Downtown Tucson with the University of Arizona in the background.



Information Systems, Sanofi-Aventis, Ventana Medical Systems, Inc., and Bombardier Aerospace all have a significant presence in Tucson. Roughly 150 Tucson companies are involved in the design and manufacture of optics and optoelectronics systems, earning Tucson the nickname "Optics Valley".<sup>[68]</sup>

Tourism is another major industry in Tucson, bringing in \$2 billion-a-year and over 3.5 million visitors annually due to Tucson's numerous resorts, hotels, and attractions.<sup>[69]</sup>

One of the major annual attractions is the Tucson Gem and Mineral Show, and its associated shows, all held generally in the first two weeks of February. These associated shows (such as gems, jewelry, beads, fossils) are held throughout the city, with 43 different shows in 2010. This makes Tucson the largest such show in the world.

In addition to vacationers, a significant number of winter residents, or "snowbirds", are attracted by Tucson's mild winters and contribute to the local economy. Snowbirds often purchase second homes in Tucson and nearby areas, contributing significantly to the property tax base.

There are also a number of middle-class and upper-class Sonorans and Sinaloans who travel from Mexico to Tucson to purchase goods that are not readily available in Mexico.<sup>[citation needed]</sup>

Nonprofits based in Tucson include the Muscular Dystrophy Association.

### Top employers

According to Tucson's 2011 Comprehensive Annual Financial Report,<sup>[70]</sup> the top employers in the city are:

#	Employer	# of Employees
1	Raytheon Missile Systems	11,850
2	University of Arizona	11,635
3	State of Arizona	8,700
4	Davis–Monthan Air Force Base	8,462
5	Walmart	7,140
6	Pima County	6,630
7	United States Army Intelligence Center & Fort Huachuca	6,300
8	Tucson Unified School District	5,547
9	Tohono O'odham Nation	5,400
10	City of Tucson	4,896

## Arts and culture

### Annual cultural events and fairs

#### Tucson Gem and Mineral Show

The Tucson Gem & Mineral Show is one of the largest gem and mineral shows in the world and has been held for over 50 years. The Show is only one part of the gem, mineral, fossil, and bead gathering held all around Tucson in over 45 different sites.<sup>[71]</sup> The various shows run from late-January to mid-February with the official Show lasting two weeks in February.

#### Tucson Festival of Books

Since 2009, the Tucson Festival of Books has been held annually over a two-day period in March at the University of Arizona. By 2010 it had become the fourth largest book festival in the United States, with 450 authors and 80,000 attendees.<sup>[72]</sup> In addition to readings and lectures, it features a science fair, varied entertainment, food, and exhibitors ranging from local retailers and publishers to regional and national nonprofit organizations.<sup>[73]</sup> In 2011, the Festival began presenting a Founder's Award; recipients include Elmore Leonard and R.L. Stine.<sup>[74]</sup>



## Tucson Folk Festival

For the past 25 years, the Tucson Folk Festival has taken place the first Saturday and Sunday of May in downtown Tucson's El Presidio Park. In addition to nationally known headline acts each evening, the Festival highlights over 100 local and regional musicians on five stages is one of the largest free festivals in the country. All stages are within easy walking distance. Organized by the Tucson Kitchen Musicians Association,<sup>[75]</sup> volunteers make this festival possible. KXCI 91.3-FM, Arizona's only community radio station, is a major partner, broadcasting from the Plaza Stage throughout the weekend. In addition, there are numerous workshops, events for children, sing-alongs, and a popular singer/songwriter contest. Musicians typically play 30-minute sets, supported by professional audio staff volunteers. A variety of food and crafts are available at the festival, as well as local micro-brews. All proceeds from sales go to fund future festivals.

## Fourth Avenue Street Fair

There are two Fourth Avenue Street Fairs, in December and late March/early April, staged between 9th Street and University Boulevard, that feature arts and crafts booths, food vendors and street performers. The fairs began in 1970 when Fourth Avenue, which at the time had half a dozen thrift shops, several New Age bookshops and the Food Conspiracy Co-Op, was a gathering place for hippies, and a few merchants put tables in front of their stores to attract customers before the holidays.

These days, the street fair has grown into a large corporate event, with most tables owned by outside merchants. It hosts mostly traveling craftsmen selling various arts such as pottery, paintings, wood working, metal decorations, candles, and many others.

## The Tucson Rodeo (Fiesta de los Vaqueros)

Another popular event held in February, which is early spring in Tucson, is the Fiesta de los Vaqueros, or rodeo week. While at its heart the Fiesta is a sporting event, it includes what is billed as "the world's largest non-mechanized parade".<sup>[76]</sup> The Rodeo Parade is a popular event as most schools give two rodeo days off instead of Presidents Day. The exception to this is Presidio High (a non-public charter school), which doesn't get either. Western wear is seen throughout the city as corporate dress codes are cast aside during the Fiesta. The Fiesta de los Vaqueros marks the beginning of the rodeo season in the United States.

## Tucson Meet Yourself

Every October for the past 30 years, Tucson Meet Yourself<sup>[77]</sup> has presented the faces of Tucson's many ethnic groups. For one weekend, dancing, singing, artwork, and food from more than 30 different ethnicities are featured in the downtown area. All performers are from Tucson and the surrounding area, in keeping with the idea of "meeting yourself."

## All Souls Procession Weekend

All Souls Procession is one of the largest festivals in Tucson as well it is one of the largest Day of the Dead celebrations in North America.<sup>[*citation needed*]</sup> Celebrated since 1990, it is held on the first Sunday in November.

Although the procession is a "developed" event and has no historical basis in the culture of the area, it is modeled on the Mexican holiday Día de los Muertos (Day of the Dead), combining elements of African, Anglo, Celtic, and Latin American culture. Native American, Serbian-American, and Filipino culture are not represented. The procession is organized and funded by the non-profit arts organization Many Mouths One Stomach (<http://www.manymouths.org>).

## Cultural and other attractions

Cultural and other attractions include:



Sailors take part in the annual St. Patrick's Day parade.



Team roping competition at Tucson's Fiesta de los Vaqueros



- Arizona Historical Society
- The Fremont House is an original adobe house in the Tucson Community Center that was saved while one of Tucson's earliest barrios was razed as urban renewal.<sup>[*citation needed*]</sup>
- Fort Lowell Museum
- Mission San Xavier del Bac
- Old Tucson Studios, built as a set for the movie *Arizona*, is a movie studio and theme park for classic Westerns.
- The Tucson Museum of Art was established as part of an art school, the Art Center, which was founded by local Tucson artists including Rose Cabat<sup>[78]</sup>
- The University of Arizona Art Museum includes works by Franz Kline, Jackson Pollock and Mark Rothko as part of the Edward J. Gallagher Memorial Collection, a tribute to a young man who was killed in a boating accident. The museum also includes the Samuel H. Kress Collection of European works from the 14th to 19th centuries and the C. Leonard Pfeiffer Collection of American paintings.
- Center for Creative Photography, a leading museum with many works by major artists such as Ansel Adams and Edward Weston.
- International Wildlife Museum, which is 5 mi (8.0 km) west of Interstate 10, maintains an exhibition of over four-hundred different species from around the globe.<sup>[79][80]</sup>
- The DeGrazia Gallery in the Sun is an iconic Tucson landmark in the foothills of the Santa Catalina Mountains.<sup>[*citation needed*]</sup>
- Arizona-Sonora Desert Museum is a combined zoo, museum, and botanical garden, devoted to indigenous animals and plants of the Sonoran Desert.
- Titan Missile Museum is located about 25 mi (40 km) south of the city on I-19. This is a Cold War era Titan nuclear missile silo (billed as the only remaining intact post-Cold War Titan missile silo) turned tourist stop.
- Pima County Fair
- Trail Dust Town is an outdoor shopping mall and restaurant complex that was built from the remains of a 1950 western movie set.
- Museum of the Horse Soldier
- Jewish Heritage Center Tucson
- Tucson Chinese Cultural Center



Day of the Dead float, Pima County Public Library, 2009 procession



The Arizona-Sonora Desert taken looking back towards the museum entrance

Shops in Summerhaven on Mount Lemmon offer such items as jewelry and other gifts, pizza, and delicious fresh-fruit pies. The legacy of the Aspen Fire can be seen in charred trees, rebuilt homes, and melted beads incorporated into a sidewalk.

Fourth Avenue, located near the University of Arizona, is home to many shops, restaurants, and bars, and hosts the annual 4th Avenue Street Fair every December and March. University Boulevard, leading directly to the UA Main Gate, is also the center of numerous bars, retail shops, and restaurants most commonly frequented by the large student population of the UA.

El Tiradito is a religious shrine in the downtown area. The Shrine dates back to the early days of Tucson. It's based on a love story of revenge and murder. People stop by the Shrine to light a candle for someone in need, a place for people to go give hope.

The Biosphere 2 is a 3.14-acre educational facility, designed to mimic a tropical or sub-tropical climate-controlled environment.<sup>[81]</sup>

## Literary arts



The number of accomplished and awarded writers (poets, novelists, dramatists, nonfiction writers) in Tucson is too numerous to mention, though David Foster Wallace and Barbara Kingsolver are two of the more prominent. Some are associated with the University of Arizona, but many are independent writers who have chosen to make Tucson their home. The city is also rich in literary organizations,<sup>[*citation needed*]</sup> particularly active in publishing and presenting contemporary innovative poetry in various ways. Among them are Chax Press, publisher of poetry books in trade and book arts editions. The University of Arizona Poetry Center is one of the leading academic sites for poetry in the nation,<sup>[*citation needed*]</sup> and, in addition to its sizable poetry library, it presents readings, conferences, and workshops.

## Performing arts

Theater groups include the Arizona Theatre Company, which performs in the Temple of Music and Art, a mirror image of the Pasadena Playhouse; and Arizona Onstage Productions, a not-for-profit theater company devoted to musical theater. In 2004, the NY based Nederlander Organization also opened a local operation. Broadway in Tucson presents the touring reproductions of many Broadway style events at the Tucson Music Hall. Celebrating its 10th anniversary recently, Broadway in Tucson events are now held on the UA campus at Centennial Hall.

The Gaslight Theater produces musical melodrama parodies in the old Jerry Lewis Theater and has been in Tucson since 1977.<sup>[82]</sup>

## Music

Musical groups include the Tucson Symphony Orchestra (founded in 1929) and Arizona Opera (founded as the Tucson Opera Company in 1971).

Mariachi music is popular and influential in Tucson, and the city is home to a large number of Mariachi musicians and singers. Mariachi is celebrated annually at the Tucson International Mariachi Conference. There is also a yearly Norteño Festival in the enclave city of South Tucson.

Tucson has a small but committed independent music scene, nearly all of which is concentrated in the city's downtown area. Bob Log III, Flagrante Delicto, God of the Sea, Calxico, Overcast Off, Giant Sand, Hipster Daddy-O and the Handgrenades, The Bled, Salvador Duran, Linda Ronstadt and Tucson's official troubadour Ted Ramirez are among the prominent musical artists based in Tucson. Local performers also receive some airplay (and occasionally play live) on the community radio station KXCI. The Tucson Area Music Awards, or TAMMIES, are an annual event.<sup>[83]</sup>

Also, Paul McCartney owned a ranch in Tucson, AZ, where in 1998 his wife Linda McCartney died of breast cancer.

## Sports

The University of Arizona Wildcats sports teams, most notably the men's basketball and women's softball teams have strong local interest. The men's basketball team, formerly coached by Hall of Fame head coach Lute Olson and currently coached by Sean Miller, has made 25 straight NCAA Tournaments and won the 1997 National Championship. Arizona's Softball team has reached the NCAA National Championship game 12 times and has won 8 times, most recently in 2007. The university's swim teams have gained international recognition, with swimmers coming from as far as Japan and Africa to train with the coach Frank Busch who has also worked with the U.S. Olympic swim team for a number of years. Both men and women's swim teams recently won the NCAA National Championships.<sup>[84]</sup>

The Tucson Padres began to play at Kino Veterans Memorial Stadium in 2011. They are the AAA affiliate of the San Diego Padres. The team, formerly known as the Portland Beavers, was temporarily relocated to Tucson from Portland while awaiting the building of a new stadium in Escondido.<sup>[85][86]</sup> Legal issues derailed the plans to build the Escondido stadium, so the future location and ownership are uncertain as of December 2011.<sup>[87]</sup>

The Tucson Sidewinders, a triple-A affiliate of the Arizona Diamondbacks, won the Pacific Coast League championship and unofficial AAA championship in 2006. The Sidewinders played in Tucson Electric Park and were in the Pacific Conference South of the PCL. The Sidewinders were sold in 2007 and moved to Reno, Nevada after the 2008 season. They now compete under the name of the Reno Aces.

The United States Handball Association Hall of Fame is located in Tucson.<sup>[88]</sup>

Women's football also has a stronghold in Tucson, as there are currently two teams in the area. The Tucson Monsoon are a member of the Independent Women's Football League where they have played since their inception in 2006. Beginning in 2011, the Arizona She-Devils will begin play in Tucson as a member of the Women's Spring Football League.



Tracks include Tucson Raceway Park and Rillito Downs. Tucson Raceway Park hosts NASCAR-sanctioned auto racing events and is one of only two asphalt short tracks in Arizona. Rillito Downs is an in-town destination on weekends in January and February each year. This historic track held the first organized quarter horse races in the world, and they are still racing there. The racetrack is threatened by development.

The city has more than 120 parks, including Reid Park Zoo. There are five public golf courses located in Tucson. Several scenic parks and points of interest are also located nearby, including the Tucson Botanical Gardens, Tohono Chul Park, Saguaro National Park, Sabino Canyon, and Biosphere 2 (just north of the city, in the town of Oracle).



A shop in Summerhaven

Mt. Lemmon, 25 miles (40 km) north (by road) and over 6,700 feet (2,000 m) above Tucson, is located in the Coronado National Forest. Outdoor activities in the summer include hiking, birding, rock climbing, picnicking, camping, sky rides at Ski Valley, fishing and touring. In the winter, skiing and/or sledding is sometimes available at the southernmost ski resort in the continental United States. Summerhaven, a community near the top of Mt. Lemmon, is also a popular destination.

The League of American Bicyclists gave Tucson a gold rating for bicycle friendliness in late April 2007. Tucson hosts the largest perimeter cycling event in the United States. The ride called "El Tour de Tucson" happens in November on the Saturday before Thanksgiving. El Tour de Tucson produced and promoted by Perimeter Bicycling has as many as 10,000 participants from all over the world, annually. Tucson is one of only nine cities in the U.S. to receive a gold rating or higher for cycling friendliness from the League of American Bicyclists.

The city is known for its winter cycling opportunities. Both road and mountain biking are popular in and around Tucson with trail areas including Starr Pass and Fantasy Island.

Tucson is also host to the Desert Diamond Cup, the largest pre-season Major League Soccer Tournament (MLS) in the country. As many as 10 MLS soccer clubs train in Tucson every winter.

## Media

Tucson has one major daily newspaper, the morning *Arizona Daily Star*. There are also several weekly newspapers, including the *Tucson Weekly* (an "alternative" publication), *Inside Tucson Business*, and the *Explorer*. The *Downtown Tucsonan* (<http://www.downtowntucson.org>), *Tucson Lifestyle Magazine*, "Lovin' Life News", *DesertLeaf*, and *Zócalo Magazine* are monthly publications covering arts, architecture, decor, fashion, entertainment, business, history, and other events. The *Arizona Daily Wildcat* is the University of Arizona's student newspaper, and the *Aztec News* is the Pima Community College student newspaper.

The Tucson metro area is served by many local television stations and is the 68th largest designated market area (DMA) in the U.S. with 433,310 homes (0.39% of the total U.S.).<sup>[89]</sup> The major television networks serving Tucson are: KVOA 4 (NBC), KGUN 9 (ABC), KOLD-TV 13 (CBS), KMSB-TV 11 (Fox), KTTU 18 (My Network TV), and KWBA 58 (The CW). KUAT-TV 6 is a PBS affiliate run by the University of Arizona (as is sister station KUAS 27).

*See also: List of Radio Stations in Arizona (Tucson)*

## Education

### Post-secondary education

- University of Arizona: established in 1885; the second largest university in the state in terms of enrollment with over 36,000 students.
- Pima Community College has ten campuses.
- Arizona State University, College of Public Programs, School of Social Work, Tucson Component has for over 30 years conferred Bachelor's of Social Work (BSW) and Master's of Social Work (MSW) degrees to those who have earned them at their Tucson Campus.
- Tucson College (<http://www.tucsoncollege.edu>) has one Tucson campus.
- Brown Mackie College has one Tucson campus.
- Brookline College has one Tucson campus.



- University of Phoenix has four Tucson campuses.
- The Art Institute of Tucson has one campus.
- Prescott College has a Tucson branch campus.
- Northern Arizona University has a Tucson branch campus.
- Arizona School of Acupuncture & Oriental Medicine.<sup>[90]</sup>
- The Art Center Design College has two Tucson campuses.

## Primary and secondary schools

*Main article: List of primary and secondary schools in Tucson, AZ*

Primarily, students of the Tucson area attend public schools in the Tucson Unified School District (TUSD). TUSD has the second highest enrollment of any school district in Arizona, behind Mesa Unified School District in the Phoenix metropolitan area. There are also many publicly funded charter schools with a specialized curriculum.<sup>[91]</sup>

In 1956, Tucson High School had the largest enrollment of any secondary school in the United States, with a total of more than 6,800 pupils.<sup>[92]</sup> The facility operated on a two-shift basis while construction went on for two other high schools that opened within a year to educate children in the rapidly booming Tucson population.

## Transportation

### Public transit

*Further information: Sun Tran*

Local public transit in Tucson is provided by Sun Tran, which operates a network of bus routes. It was awarded Best Transit System in 1988 and 2005 and serves the major part of the Tucson metropolitan area. Construction of a 3.9-mile (6.3 km) modern streetcar line is planned, as part of a Regional Transportation Authority plan approved by area voters in May 2006.<sup>[93]</sup>

Old Pueblo Trolley operates weekend heritage streetcar service between the Fourth Avenue Business District and the University of Arizona. The service extended south, into the downtown district, as part of the Fourth Avenue underpass reconstruction project.

### Tucson Modern Streetcar

*Further information: Sun Link*

The Tucson Modern Streetcar is a project that is currently under construction. Once completed, the Tucson Modern Streetcar route will connect major activity centers such as the University of Arizona, University Main Gate business district, 4th Avenue business district, Congress Avenue Shopping and Entertainment district, and the Mercado District. The project is expected to finish in mid-2013 with the service beginning in late 2013.<sup>[94]</sup>

The project is geared towards not only connectivity, but potential retail, office and residential development, called transit-oriented development. The hope for this development is based off the success that was achieved in the Portland Streetcar Alignment.

The Streetcar will be integrated with all existing forms of public transit, including the Sun Tran and University of Arizona's Cat Tran service. Payment for the streetcar will be under a card swipe fare system. One streetcar will hold approximately 130 people. The Streetcar will be all electric.

Job creation was a large reason why the project came about. It is hoped that a projected 1,200 new jobs would be created as a direct result of project construction, and 1,650 in roughly 20 industries would be created as a result of construction activities. Along with that, an additional 1,480 long-term jobs are hoped to be created due to the Streetcar. The project is part of the Buy America movement to maximize economic benefits in the United States.<sup>[95]</sup>

### Other



Tucson International Airport (IATA: **TUS**, ICAO: **KTUS**) is Tucson's public airport and is located six miles (10 km) south of Tucson's central business district. TIA is the second largest commercial airport in Arizona, providing nonstop flights to 15 destinations throughout the United States.<sup>[96]</sup> Due to the active presence of the Arizona Air National Guard at the site, the airport is much busier than most other airports that have the same level of civilian traffic.

Interstates 10 and 19 are the only two Interstate highways in the metropolitan area. State highway 210 is a shorter freeway that links downtown with the Davis-Monthan Air Force Base. Tucson does not have a beltway system as other similarly sized cities do.

Amtrak, the national passenger rail system, provides service to Tucson three times weekly in both directions, operating its Sunset Limited between New Orleans, Louisiana and Los Angeles, California and Texas Eagle between Chicago, Illinois and Los Angeles, California.

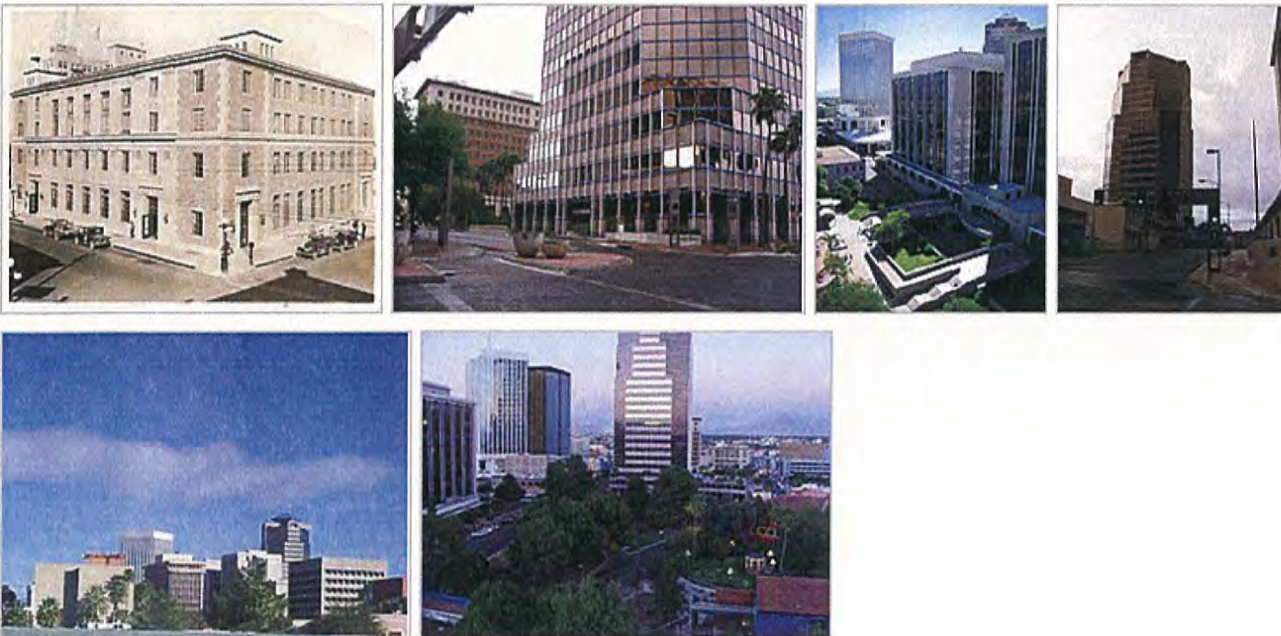
Cyclists are common in Tucson due to compatible climate, extensive commuter bike routes, off-road mountain biking trails, and bike facilities throughout the city. The Tucson-Pima County Bicycle Advisory Committee (TPCBAC) was established to serve in an advisory capacity to local governments on issues relating to bicycle recreation, transportation, and safety. Tucson was given a gold rating for bicycle friendliness by the League of American Bicyclists<sup>[97]</sup> in late April 2006.

## Sister cities

Tucson has eight sister cities, as designated by Sister Cities International: <sup>[98]</sup>

-  Liupanshui, China
-  Trikala, Greece
-  Pécs, Hungary
-  Sulaymaniyah, Iraqi Kurdistan
-  Roscommon, Ireland
-  Almaty, Kazakhstan
-  Ciudad Obregón, Sonora, Mexico
-  Segovia, Castile and León, Spain

## Picture gallery







## ACHIEVING A COMPETITIVE ECONOMY: THE POWER OF FIVE

The Economic Blueprint details action-oriented strategies to capitalize on the best economic development opportunities for the Tucson region in the decades ahead. By successfully building on the Blueprint's vision and strategies, we will increase prosperity for all Tucsonans. During the process of developing the Blueprint, five strategic thrust areas emerged, each sharing a common purpose: contributing to a vibrant economy.



### HIGH-SKILLED/HIGH-WAGE JOBS

**Goal:** Increase regional prosperity by focusing resources on growing industry sectors with high-paying jobs while developing a world-class workforce.

- Focus on increasing jobs in targeted industry clusters with the highest growth potential supported by a well-defined business development effort.
- Increase workforce readiness by creating an employer-driven, labor skills development initiative that identifies skill gaps and specific employer needs; tap potential workforce resources by retaining UA graduates, targeting retirees and attracting young talent from outside the region.
- Advance higher education/economic development partnerships through a collaborative venture between The University of Arizona, TREO and others.
- Leverage existing efforts and resources to help build a highly-skilled workforce and increase technology excellence.
- Strengthen entrepreneurship by sparking the formation of new companies in the identified industry clusters.
- Promote Arizona as a location for international business development; consolidate existing programs to provide a one-stop shop for Foreign Direct Investment and trade.
- Launch a focused image-enhancement effort and promote the Tucson brand locally, nationally and globally.

### EDUCATIONAL EXCELLENCE

**Goal:** Inspire talent and innovation, while preparing children and adults with the skills necessary to compete in the knowledge-based global economy.

- Develop an "education first" culture where K-12 performance and accountability are a top priority; focus efforts on improving graduation rates at all education levels.
- Secure the financial resources needed so all Tucson region schools can exceed the national performance standards.
- Work with educators, administrators and JTED's governing body to provide a rigorous, relevant curriculum, strengthening the future workforce.
- Form partnerships between business and education groups to solve educational challenges and meet workplace needs.



### LIVABLE COMMUNITIES

**Goal:** Build on the unique assets and attributes of the Tucson region in order to be globally recognized and valued for livability.

- Address infrastructure and environmental needs with a balanced approach to growth.
- Collaborate with key partners to address livability challenges like water, transportation, healthcare and affordable housing.
- Promote the ongoing development of a multi-ethnic community and celebrate people from culturally diverse backgrounds.
- Support efforts toward reducing and maintaining our region's crime rate below the national average.
- Beautify the region to improve our public image and competitiveness through enhancing and maintaining the major interstate transportation arteries and traffic corridors.
- Support MTCVB in developing tourism growth opportunities.

### COLLABORATIVE GOVERNANCE & STEWARDSHIP

**Goal:** Foster and support an innovation-based economy with efficient and enlightened government services and committed, collaborative private sector leadership.

- Develop a culture where leaders push boundaries in solving serious challenges and capturing rewarding opportunities.
- Develop a competitive advantage through fast tracking processes of zoning/permitting issues associated with commercial, industrial and land use development.
- Cultivate future leaders with a focus on young leaders, minorities, women and retired "C-level" (chief) executives.
- Actively pursue multiple options for funding both short- and long-term economic development in the region.
- Establish a collaborative, multi-government network to plan Sun Corridor infrastructure; create a new planning agency to develop long-term infrastructure plans.

### URBAN RENAISSANCE

**Goal:** Revitalize Tucson's urban center so that it excites, attracts and economically benefits the entire region.

- Establish a new catalytic public/private development group dedicated to downtown revitalization.
- Target Quality Growth Zones; work with private sector leaders and local and state officials to plan and develop the region's most important economic development corridors in a competitive and sustainable way.
- Develop a regional urban corridor plan that adheres and promotes the tenets of Smart Growth.

Learn more about the Blueprint at [www.treoaz.org/About-TREO-Economic-Blueprint.aspx](http://www.treoaz.org/About-TREO-Economic-Blueprint.aspx)







# **Tucson Economic Blueprint**

## **Strategic Analysis Report**

### **Section 4: Strategic Market Assessment**

December 27, 2006



**Prepared for TREO**

*By the KMK Consulting Team*

KMK Consulting Company, Donald T. Iannone & Associates, IO.  
INC, KPMG, Moody's Economy.com and Ady International  
Company



## I. INTRODUCTION

In the United States alone, it is estimated that there are more than 9,000 active economic development organizations at the local, county, regional and state levels. In almost all cases, each organization is vying to fulfill its mission of strengthening a particular economic segment or geographic location. Previously, most of these organizations were singularly focused on competing domestically. In the 21<sup>st</sup> century, however, economic development must be approached from a global viewpoint. U.S. communities must compete against markets throughout the world. Communities that do not realize this state of affairs do so at their own peril.

The challenge of competing in a global economic framework is forcing regions to reconsider and revise their approach to economic development. With knowledge-based factors generally regarded as the fundamental basis of a region's competitive advantage, regional economic development agencies are looking for ways to grow and attract concentrations of innovative, knowledge-based business activity. Education, quality of life and human capital strategies now are fundamental to ensuring regional economic vitality.

Tucson and Southern Arizona number among the thousands of communities on a quest for private capital investment, high quality jobs and advancement in the global knowledge economy. For years, Tucson has progressed steadily largely due to two factors: the inexorable growth of Arizona through in-migration of individuals from other U.S. states and the presence of The University of Arizona. These two dynamics – one market driven and one market captive – have enabled Tucson to withstand the vagaries of the national and world economies over time and evolve from a quiet university town to a regional community of nearly 1 million people with an expanding population and economic base. Representing the Tucson region on the economic development front is TREO (Tucson Regional Economic Opportunities), which

began its first full year of operations in July 2005. TREO is a new rendition of a former regional economic development endeavor that, like so many other similar organizations in countless markets throughout the U.S., was laid to rest for a variety of reasons. TREO is on a vitally important mission to stake its claim to create a world-class economic development organization that will facilitate successful economic development of the Tucson region.

The organization has been successful in attracting a well respected and capable staff. With this new infusion of economic development leadership and the renewed commitment to economic development on the part of the business community and local government, the Tucson market has a new opportunity to excel in the ever-intensifying arena of world economic development. Indeed, TREO's first year of operation has demonstrated quite impressive tangible results raising even greater hope and expectations for the future.

Recognizing that a new approach to economic development is mission critical, TREO has embarked on the development of a new blueprint to frame and guide its endeavors. A key component of this new blueprint for economic success is an understanding of the forces and communities that pose the greatest impediments to success. The purpose of this inquiry is to gather competitive intelligence on those U.S. markets that pose the greatest long-term threat to Tucson's ability to grow a business base and attract new employers.

## Best of Class Strategic Comparative Markets

There are many regions in the U.S. that strive to be the "best of the best" for business investment, innovation and job creation. Cities such as Los Angeles, Chicago, San Francisco, San Jose/Silicon Valley, New York, Boston and Washington, D.C./Baltimore



typically find themselves top of mind, but not always top of list. Like other world cities – Paris, London and Tokyo to name a few – these mega-cities increasingly are appealing and affordable only to the very wealthy. In fact, according to the United Nations, most major world cities are home to either the very wealthy or very poor. The middle class increasingly are being squeezed out and moving into far suburbs or second and third tier cities. This makes the attraction of human capital especially difficult for any enterprise, except for those firms that are willing to pay the highest salaries that living and doing business in a world city commands. As a result, companies are looking to other markets for their operations.

Consequently, the rise of second and third tier cities, especially in the U.S., can be explained in part by what has transpired in the world's mega-cities. These smaller and growing markets have emerged as major contenders in the national and world economic development arena. Among them are Austin, San Diego, Raleigh-Durham, Orlando, Tampa and Boise.

### Top Comparative Markets

In determining the most strategic economic development competitors for the Tucson region, it is the second tier cities – places like Austin, Orlando and San Diego – that present the most formidable competition both today and into the future. These markets have been selected for analysis and comparison for salient reasons. First, each of these markets are “best of class” in their economic development status. Each has attained a national and/or world standing in specific areas. All three of these markets have successfully pursued a course of action to transform their respective economies and business images from a one-dimensional base into vibrant and diverse markets. Further, each of these markets has many similarities to the Greater Tucson region in terms of assets and attributes, not only from a present day standpoint, but also through their respective historical evolution.

Like Tucson, Austin was once a quiet university, one-industry community. Although Austin is the Texas state capital, its primary economic base was the University of Texas. Today, Austin's brand is synonymous with high tech. Companies such as Dell, Texas Instruments, Hewlett Packard, Motorola and scores of others have made Austin the home for either headquarter operations or significant high value-added operations, including systems and software engineering, R&D and other enterprises that command world-class talent. Austin also is renowned as the U.S.'s “Live Music Capital.” That Austin is known nationally and internationally for two major brands – one economic and one cultural – is an enviable position for any community to have. This status was not accidental. It resulted from a deliberate long-term strategy, strong and consistent leadership from both the private and public sector and a fervent self-belief that the city could become a destination for the high growth industries.

Orlando is another rising strategic market that already is capturing major blue-chip projects on the economic development scene. Since 1964, with the opening of Walt Disney's Disney World, Orlando, was synonymous with the family entertainment and tourism industry. This one-dimensional economy grew rapidly as families and visitors from around the world traveled to Orlando to experience this new Disney World. Later, with the development of Epcot Center and Universal and Warner Brothers studios, Orlando's position as a world destination center appeared to be irrevocably cemented. In the past 15 years, however, Orlando's business image has become more than just entertainment. The community has worked vigorously to capitalize on its world icon status to build and diversify its economy. Today Orlando and Central Florida are now home to more than half of Florida's high tech firms. Because of its world-class Orlando International Airport, Orlando is emerging as a frequent and successful contender for major domestic and foreign businesses.

In contrast to Tucson and Austin, Orlando historically lacked highly ranked university resources. However, with the recent



announcement of the Burnham Institute's decision to locate its East Coast campus in Orlando, this critical component of Orlando's offerings will be substantially enhanced.

San Diego has one of the most enviable positions in the global economic development arena. There is not a biomedical company, scientist, Nobel Laureate or venture capitalist that is unfamiliar with the San Diego name. Largely due to the transformation of the University of California - San Diego from an average public university into a world-class enclave of the top minds in several scientific fields, San Diego has morphed from an expensive beach and surfing community into one of the nation's – and world's – most respected centers of business and science. Like Tucson, San Diego's greatest knowledge asset is its public university. Over the past 15 years, San Diego has become the standard bearer in the knowledge economy with a burgeoning R&D sector in biosciences and other technology specialties that are prolific with commercialization successes.

What lessons can TREO and greater Tucson garner from the successes and standings of these three markets? The purpose of this analysis is to provide an assessment of how TREO's performance compares to other strategic U.S. markets. This first section includes an overview of the primary economic development organizations in these markets as well as key aspects of their programs. The second section presents a synopsis of major differences between the TREO/Greater Tucson economic development approaches versus the three best of class competitors. The third section provides a comparative analysis of major business location attributes. Finally, the fourth section offers some observations that will be instructive for TREO as the organization develops its blueprint for economic growth.

## II. KEY STRATEGIC COMPETITORS

### AUSTIN, TEXAS

Ever since Michael Dell started selling computers from his dorm room at the University of Texas, Austin was catapulted from relative obscurity outside of Texas into a league of top ranked communities for business and entrepreneurs. As the home of UT's main campus and the state capital, Austin consistently has earned distinction as one of the best places for entrepreneurs, venture capitalists, high tech companies, innovators and inventors. Though lacking the universal identity that Dallas earned with the popular TV series in the 1980s, Austin is highly regarded as one of America's most important and dynamic centers of intellectual capital and innovation.

Today, Austin and its surrounding areas are referred to as the "Silicon Hills" largely due to the 3,200 high tech companies that operate there. Although Austin's name has become synonymous with high tech, its economic base is far more diversified, with significant business establishments in finance and services and with strong educational and government sectors. In the past 10 years, Austin has emerged as a major center of innovation and enjoys a reputation for its increasing concentration of entrepreneurs. As a result, Austin is more frequently referred to as the "City of Ideas" among demographers and pundits who evaluate cities.

Companies that are based in Austin strengthen this identity. One such company is Cirrus Logic, a global company that develops high precision specialty integrated circuits for both consumer and industries. Its major corporate clients include Bose, Harman International, IO, Panasonic, Phillips and Samsung. Cirrus's home page is not about the company, but all about Austin. The following is quoted from Cirrus Logic:

*"The headquarters for Cirrus Logic is located in breathtaking Austin, Texas. The city is famous for its thriving business*



*community, natural beauty and plentiful lakes, diverse sports teams, incredible outdoor activities and amazing live music. Austin features that rare combination of small-town charm with big-city entertainment, dining and culture. For quality of life, many people believe Austin is simply unmatched."*

This loyalty to the Austin brand – the promise of all that Austin brings – is extraordinary. And this commitment and engagement in Austin as a place to live, work and do business, is part of the culture and ethos of the community's employer base. Economic development and marketing are a way of life in Austin (and generally in all Texas cities). Austin has honed it to a fine art.

### **Greater Austin Chamber of Commerce**

Austin and its surrounding population have a population of 1.4 million. More than 55 percent of the region's residents, or 771,000 persons, participate in the workforce. The Austin-Round Rock metropolitan area has 693,300 non-agricultural jobs provided by 69,000 business establishments. The region's largest employment sector is government (21.6 percent), followed by professional and business services (13.5 percent). Austin is the state capital of Texas and the seat of Travis County. Situated in Central Texas, Austin is the fourth largest city in the state and the 16<sup>th</sup> largest city in the U.S.

Founded in 1880, the Greater Austin Chamber of Commerce serves the Austin-Round Rock region in many capacities. Because of its long history in economic development, the Chamber often is perceived as one of the most formidable economic development organizations in the U.S. Rarely has the Chamber "lost" a major sweepstakes prospect; it has been at economic development so long that the organization virtually wrote the book on the subject. The Chamber's mission is to "provide leadership that will help create regional economic prosperity and success for its members in Central Texas." However, the Chamber believes that it has been in

the formal economic development business for only three years, beginning with its first five year economic development strategy and fundraising program. In January of 2004, the Austin Chamber created the Greater Austin Economic Development Chamber Corporation, a separate 501(C)3 non-profit entity. This new entity, along with a five-year strategy and fund-raising campaign was initiated because the community's leadership believed that it lacked a sustainable economic development program. The intent now is to be successful with this new strategy and begin a new five-year funding cycle that will enable the organization to raise more funds to ensure its longevity.

The economic development budget is approximately \$1.53 million, all of which is expended on economic development programs, since its 12 staff members are on the staff of the Chamber. The economic development corporation of the Chamber (EDC) has a 23 member Board of Directors. Individuals who serve on this board are not required to make a financial contribution to the organization. There are a total of 280 investors in the economic development corporation; more than 60 companies are investing at \$25,000 per year for five years, and five are contributing at a level of \$100,000 per year for the five-year period.

The EDC created an Economic Development Council, which engages the large investors. This organization has "no authority" but does meet each month to receive confidential briefings of prospect activity. In addition, these large investors are invited to participate in business recruitment missions. The EDC derives 96 percent of its funds from the private sector; the City of Austin and the five counties that the EDC represents contribute a total of 4 percent to the organization's budget.

The EDC expends approximately 80% of its annual budget on business recruitment, including public relations, out of state events, trade shows and advertising. The remainder is expended on business retention. While the city of Austin and the five counties



in the EDC's sphere each have an economic development function, only the Chamber EDC performs external marketing.

### Major Competitive Advantages

1. **Talent Base** – Austin is universally viewed as a technology hub. With the University of Texas graduating some of the best engineers in the nation, the availability of talent is unparalleled. It is for this reason that Austin always is on the short list for major technology projects. Austin's tagline is "Austin the Human Capital."
2. **Quality of Life** – The median age of Austinites is about 4.5 years younger than the median age of most communities. Austin is a young city. There are lots of activities and venues for young people and their families. In addition, the region has many high quality business parks and facilities that also offer outdoor amenities for their employees.

### Primary Economic Clusters

- Automotive
- Medical Devices
- Digital Entertainment
- Wireless
- Semiconductors
- Headquarters/Back Office/Data Centers
- Clean Energy
- Software
- Distribution/Logistics

Note: The Chamber has been working to build the semiconductor, headquarters, software and digital entertainment clusters for years.

The other clusters were newly identified in the EDC's five year strategy.

### Marketing to Targeted Clusters

The Chamber uses a variety of techniques to reach and generate prospects in its targeted clusters. The EDC has established committees of local companies in its cluster roster and asks representatives of these firms to meet with prospects or identify new leads. In addition, the EDC participates in major trade shows related to the clusters and advertises in trade publications. The EDC has also identified concentrations of targeted cluster firms in other parts of the U.S. and conducts business recruitment missions to those markets. Moreover, the EDC has identified a list of 15 to 20 prime prospect firms that do not have a presence in Austin and use the presidents of local firms to call or contact those prospects each month with the hopes of convincing them to a locate.

The EDC also has a national public relations firm on retainer that is located in New York. The EDC conducts a major marketing mission to New York/New Jersey each year. Each staff member generally is on the road two times each month.

### Incentives

The State of Texas is perhaps the most incentive-rich state in the nation. Largely due to oil fund trusts and revenues, the state has a \$280 million "Enterprise Fund," distributed at the discretion of the Governor. Incentive programs are available at the local level as well. A municipality makes a commitment to a particular prospect on the basis of performance standards and typically offers an incentive that is equal to \$10,000 cash per each job created that is above a certain salary threshold. Once this local commitment is firm, a request goes to the Governor's office for matching Enterprise Funds. The final decision is made by the Governor, Lt.



Governor and Speaker of the House. Decisions have to be rendered very quickly.

In the last few years, Austin landed Samsung, which is building the world's largest semiconductor lab in that market. Total capital investment on the company's part will be \$5 billion and the project will generate 1,000 new direct jobs. In addition, the Chamber EDC has assisted Hewlett Packard, which already has a major presence in Austin, to land a new 400-employee data center, representing a total private capital investment of \$800 million. Two California relocations have recently occurred: Dimensial Fund Advisors is moving its headquarters and 800 jobs from Los Angeles to Austin, and Compass Learning, an educational software firm, is relocating its headquarters and 160 jobs from San Diego.

Austin also offers substantial workforce training funds, directly as well as through the State of Texas programs. In addition, the region has enterprise zones and a foreign trade zone.

### Best Practices for Business Recruitment

1. **Highly Focused Cluster Outreach** – The Chamber focuses only on companies in their eight economic clusters. A major part of the organization's outreach is trade shows. The Chamber has a major exhibit and conducts direct mail prior to the trade show in addition to advertising in trade show dailies and vertical industry monthly publications.
2. **Cost of Living Advantage** – The Chamber targets areas of the country where Austin has a significant cost-of-doing-business advantage and conducts sales/marketing trips to those regions calling on companies that are in the economic clusters.
3. **Focused Research and Direct Outreach** – Companies in each of the targeted clusters industries that do not have a presence in Austin are identified and researched. The Chamber then

uses its business leadership to "touch" them in some form (direct mail, email, newsletters, etc) at least once a month.

4. **Venture Capital Firms** – These firms are identified and contacted on a regular basis to let them know the advantages of moving the companies they fund/own to Austin.
5. **Engagement of Local Business Leaders** – In sales/marketing missions and in connecting the Chamber to visiting senior level executives of local firms, the Chamber has an extremely well-developed network of relationships with its local business community. This allows the Austin business message and an executive gift package to be delivered to the visiting senior executives.
6. **University of Texas** – Nationally ranked in a number of key academic categories, the University brand is seamless with the name Austin.

### ORLANDO, FLORIDA

World renown as America's family fun capital, Orlando is home to Walt Disney World, Sea World and other famous mega-theme parks including Discovery Cove and Universal Studios. Today, Orlando is the fifth-ranking U.S. destination of overseas travelers after San Francisco, Miami, Los Angeles and New York City. It claims the second highest number of hotel rooms in the U.S., lagging just behind Las Vegas in the bedroom stakes.

While Orlando is a world icon for tourism, the metropolitan region has quietly morphed from a one-dimensional economy into a significant anchor of Florida's burgeoning high tech sector and a major center of space technology enterprises that have clustered close to the Florida Space Coast. Increasingly, Orlando is developing a highly respected reputation as a dynamic business center and one that remains consistently committed to business and



economic growth. Orlando is at the heart of the Central/Space Coast of Florida – a region that is home to more than half of the state's high tech firms. Orlando also is situated at the geographical center of Florida, offering equidistant access to all major regions throughout that state. Today the Orlando region has emerged as one of the top locations for business in the U.S.

### **The Metro Orlando Economic Development Commission**

Metro Orlando's population is 1.953 million; more than 1 million of the region's residents are in the workforce. The region has 1.08 million non-agricultural jobs provided by more than 76,200 business establishments. The largest employment sector is Professional and Business Services (20.1 percent), closely followed by Leisure and Hospitality (20 percent). The City of Orlando is the seat of Orange County, Florida. Orlando is the sixth-largest city in Florida and its largest inland city. Orlando is the nexus of the Orlando-Kissimmee Florida metropolitan statistical area, which is Florida's third-largest metro (after Miami-Fort Lauderdale-West Palm Beach and Tampa-St Petersburg-Clearwater).

The Metro Orlando Economic Development Commission has deep historic roots, dating back to 1977, when the Industrial Development Commission was created. The IDC united the efforts of three groups that were doing similar economic development work: the Orlando Chamber of Commerce's Committee; the Central Florida Development Committee and the Orlando/Orange County Industrial Development Board. In 1981, Seminole County folded its economic development functions into the IDC. Lake County joined the partnership in 1987 and Osceola County joined in 1989. In 2001, the organization was renamed the Metro Orlando Economic Development Commission and the community brand, "Putting imagination to work," was launched. Today, the Metro Orlando EDC represents four counties and the City of Orlando.

The organization's vision is to "create and sustain a prosperous and diverse business community." Its mission reads: "In concert with our investors and partners, the mission of the EDC is to build a diverse economy capable of withstanding dramatic shifts in the global marketplace and to position Metro Orlando as the world's premier business location."

The organization has a 63 member Board of Directors and a full-time staff of 38. Its FY 2007 budget is \$6.4 million, with 38 percent derived from the public sector. The City of Orlando and four counties that comprise the EDC contribute on a per capita basis ranging from \$1 to \$2 per capita. More than 300 companies, or investors, make up the private sector portion of the organization's funding. Of these, 18 firms invest \$100,000 annually and are members of the Governor's Council – a group that Jim McGraw of KMK developed when he was working with the Metro Orlando EDC.

The Governor's Council is a highly engaged group of business leaders that personify the strong private sector leadership of Orlando. When a major project is needed for the community, it is the Governor's Council that convenes and focuses on getting the job done. Examples include a new performing arts center, a new arena for the Orlando Magic and other major regional events and venues. The Council also works with local school boards on matters of facility construction, educational content and curricula. Other groups within the EDC investor base exist as well: Policy Council for investors of \$50,000 to \$99,000 and Corporate Level for investors of \$1,000 and up.

The Metro Orlando EDC is solely responsible for business retention and recruitment for its region. The organization also expanded its service offerings to include film and television production, which falls under the EDC-managed Metro Orlando Film & Television Commission. In addition, the EDC established an industry retention team to help local businesses grow and to



regularly assess and help meet their needs. The Metro Orlando International Affairs Commission (MOIAC) is yet another community program managed by the EDC. That initiative is dedicated to bringing global investment to the area and to enhancing local exporting opportunities. The Central Florida Technology Partnership (CTFP), another program managed by the EDC, was established in 1999. This program is focused on building the region's technology business base.

### Major Competitive Advantages

1. **Universal Brand** - One of Orlando's greatest competitive advantages is its universal brand. Regardless of where the EDC staff travels or with whom they meet, everyone has heard of Orlando. This also poses a significant challenge to the EDC in overcoming the family destination image and building a more accurate business image.
2. **World Class International Airport** - Another major Orlando asset is the Orlando International Airport, which serves as its portal to the world. J.D. Power ranked the Orlando airport as number one in customer satisfaction. The airport provides direct, non-stop access to 86 cities in the U.S. and 16 destinations around the world. In 2005 alone, Orlando International Airport hosted more than 34,000,000 passengers.
3. **High Tech Base** - There are more than 3,500 high tech firms in the Orlando region, employing 53,000 people. One of its most significant technology concentrations is the laser and photo electronics/optics sector. Another is high value added simulation and training, which melds the defense industry with entertainment technology. Now, the region is also focusing on life sciences/biotech.
4. **University of Central Florida** - As the nation's eighth largest public university with 46,000 enrolled students,

UCF is a major economic driver. The EDC enjoys a very close and strong working relationship with the University's president, who serves on the EDC's Board of Directors. He also is actively engaged in the organization's retention, recruitment and strategic initiatives. The university has a high level professional responsible for working with the EDC. This individual coordinates the University's work with both existing and prospective new employers.

5. **High Caliber Quality of Life** - One of Orlando's most important assets is its ability to attract and retain the top talent sought by every employer, regardless of sector. The EDC maintains that the region's quality of life remains one of the most important location attributes.

### Primary Economic Clusters

- Advanced Manufacturing
- Agri-technology
- Aviation & Aerospace
- Customer Support & Back Office
- Digital Media
- Energy & Alternative Fuels
- Film & Television Production
- International Business
- Life Sciences & Bio-Technology
- Manufacturing, Warehousing & Distribution
- Modeling, Simulation & Training

### Marketing to Targeted Clusters

The EDC's primary marketing activity is the direct outreach it conducts through its business development staff. One of their representatives is on the road at least 47 out of 52 weeks a year. In addition, the EDC conducts substantial direct mail, using unique



campaigns that reach their targeted audiences. The EDC places ads in targeted magazines that reach decision makers in their clusters. Examples include Wired Magazine, National Public Radio, and Photonics Magazine. The EDC also stages several VIP events annually, many focused on introducing the business dimensions of Orlando to the millions who experience the hospitality venues annually. Finally, the EDC participates in major cluster-specific trade shows, including Bio and Photonics West.

### Incentives

The EDC maintains that incentives are crucial to virtually all of the projects with which they work. In 2006 alone, the organization has successfully completed 41 business retention and new employer locate projects. The state and local governments provide such incentives. In landing the Burnham Institute for Medical Research, for example, a total incentive package of \$310 million was used to entice this La Jolla, California, based medical research institute to establish its East Coast Campus in Orlando. Under the leadership of Governor Jeb Bush, state surpluses were earmarked for the life sciences. The Governor pursued Scripps and successfully located them in Palm Beach in 2004 with a \$600 million package. Half of these packages came from state funds while the other half was matched by city, county and university dollars. The EDC calls these packages “once in a lifetime” incentive deals and does not believe deals of similar magnitude will be seen again.

More generally, incentives are awarded on a case-by-case basis. Of the four largest deals that the EDC assisted in 2005, each one received incentives. Those projects were: the Burnham Institute, Lockheed Martin, the retention of the Darden Group’s (Olive Garden and served other national restaurant chains) corporate headquarters, and JetBlue. The most important incentive program offered in Orlando is the *Quality Target Industry* incentive program. A company is eligible if it meets the parameters of the industry cluster; pays 15 percent above the average salary and other requirements as well. Assuming a company meets these

thresholds, then the incentive equates to property tax rebate that is funded 80 percent by the state and 20 percent by local government (county or city.)

### Best Practices for Business Recruitment

1. **Corporate Structure** – All EDC project managers specialize in sectors and are highly experienced in at least one of the major cluster industries.
2. **EDC Infrastructure** – The EDC’s technology is state of the art. It has a major investment in research and business intelligence as well.
3. **Powerful and Engaged Board** – The business and governmental leadership is very strong. The private and public sectors work well together at all levels through the EDC.
4. **Unique Location** – Their practice of “capturing the visitor” to Orlando is paying big dividends.
5. **Regional Collaboration** – Through the Florida High Tech Corridor partnership, Orlando has joined forces with Tampa to combine efforts to win technology companies.

### SAN DIEGO, CALIFORNIA

San Diego is perhaps one of the most beautiful coastal communities in the U.S. Famous for its Balboa Park and the public zoo, San Diego has also gained global recognition as one of the strongest and most successfully diversified regions in the U.S.



The region's broad and well-balanced business and technology base is largely responsible for this standing.

Much of the credit for San Diego's economic status goes to the University of California San Diego, which has gained global renown for its academic quality and is home to many Nobel Prize winners and members of the National Academy of Sciences. UCSD shares its Torrey Pines location with the world renowned Scripps Institution of Oceanography, the Salk Institute, the Scripps Research Institute and the Burnham Institute for Medical Research. Additionally, San Diego State University's Center for Bio/Pharmaceutical and Biodevice Development provides a major research and innovation asset to this concentration of world-class educational and research brainpower.

Because of this, San Diego is able to claim one of the world's leading centers of technological innovation and success in bringing products to market, generating new enterprises and creating jobs. Corporate giants such as Merck, Pfizer, Dow, Novartis and others have established significant R&D labs in San Diego. The region's economy also has a major port, which includes the only major shipbuilding yard on the West Coast. In addition, San Diego has a major naval base and other military operations, all of which provide a relatively stable economic pillar.

### **San Diego Regional Economic Development Corporation**

Greater San Diego's population is just over 3 million based on the U.S. Census Bureau's 2005 population estimates. More than 49 percent are in the workforce. The region has more than 1.4 million jobs provided by 85,791 business establishments. The largest employment sector is Health & Leisure & Other Services (39.5 percent), followed by Government (14.9 percent). The City of San Diego is the second largest city in California and the eighth largest in the U.S. Greater San Diego is the 17th-largest metropolitan area

in the U.S., and is the third largest county by population in California. The county seat is the city of San Diego.

Now in its 41<sup>st</sup> year of operations, the San Diego Regional Economic Development Corporation (EDC) is a private, non-profit corporation that works in partnership with, and receives significant funding from, the City of San Diego. Additional funding comes from the County of San Diego, San Diego Unified Port District, the City of Chula Vista, other cities in the region and more than 200 private sector investors.

The EDC's vision is lofty: "The San Diego region will be globally competitive, fueled by a diversified technology driven economy, and positioned to achieve economic prosperity and opportunity for its residents." Its mission is to "assist companies in locating or expanding - and with solving problems - while also focusing on issues of regional competitiveness, through a CEO-driven issue agenda that supports the growth and expansion of high-wage, high-growth industries in the region."

The organization has a 64 member Board of Directors and a full-time staff of 12. Its FY 2005 budget was \$2.2 million (noticeably very low because of numerous other EDCs in the region), with 40 percent derived from the public sector, most notably, the City of San Diego. More than 250 companies comprise the EDC's membership base.

While the EDC is the region's foremost economic development organization, there are several more organizations crowding the landscape. They are:

#### ***East County Economic Development Council***

The East County Economic Development Corporation (ECEDC) is an award-winning, non-profit organization of leaders committed to a healthy, vital economic climate and quality of life in the East County region. ECEDC promotes successful business activity in the cities of El Cajon, La Mesa, Lemon Grove and Santee, and in

the unincorporated communities of Alpine, Lakeside and Spring Valley. In addition, ECEDC has developed and maintains a current database of more than 1,500 major employers, 530 of which are located in East County. The Connector includes information on industrial products, technologies, services and core capabilities and capacities.

#### ***North County Economic Development Council***

The North County Economic Development Council is a coalition of the private and public sectors working together to sustain and carefully grow the economic base of North San Diego County, including the cities and communities of Carlsbad, Del Mar, Encinitas (including Cardiff By The Sea, Leucadia and Olivenhain), Escondido, Fallbrook/Bonsall, Oceanside, Camp Pendleton, Pala/Pauma Valley, Poway, Ramona, Rancho Bernardo, Rancho Penasquitos/Carmel Mountain Ranch, San Marcos, Solana Beach, Valley Center and Vista.

#### ***South County Economic Development Council***

South County Economic Development Council is a non-profit organization formed in 1989 to serve the economic development interests of the Southern portion of San Diego County, including: Chula Vista, Coronado, Imperial Beach, National City, Otay Mesa and San Ysidro.

#### ***Southeastern Economic Development Corporation***

The Southeastern Economic Development Corporation promotes economic development and revitalization in the Southeast San Diego area. The Southeastern EDC provides economic development services and makes recommendations concerning redevelopment plans and project areas.

#### ***Centre City Development Corporation***

The Centre City Development Corporation (CCDC) is a public, non-profit corporation created by the City of San Diego to implement Downtown redevelopment projects and programs.

CCDC focuses on projects designed to support a vibrant downtown community.

#### ***City of San Diego Department of Economic Development and Community Services***

The City of San Diego Department of Economic Development and Community Services is comprised of three divisions that improve the city's neighborhoods and the community-at-large through programs and services. The Economic Development Division delivers strategies and services to enhance employment opportunities, assist new businesses, promote access to capital, as well as retain and expand existing San Diego businesses. The Redevelopment Division focuses on neighborhood revitalization. The Community Services Division provides human services to enhance the quality of life for San Diego's diverse population.

#### ***Port of San Diego***

The Port of San Diego is a special government entity that manages the San Diego Harbor, and operates the regions primary commercial airport, Lindbergh Field. The Port also administers the public lands along San Diego Bay with a focus on promoting economic growth, enhancing the regional economy and preserving tideland resources.

#### ***San Diego County Office of Trade and Business***

San Diego County's Office of Trade and Business assists with the retention, expansion or attraction of businesses in the unincorporated areas of San Diego County by working in a coordinated effort with County, State and Federal agencies, while acting as a liaison and representative to and for businesses.

### **Major Competitive Advantages**

1. **Life Sciences Community** – The concentration of world-class university and private research institutes, along with



major players in the pharmaceutical and bio sectors.

2. **Qualcomm and Communications** – The telecommunications giant Qualcomm was founded in San Diego. Because of its substantial investment in R&D and the presence of several strategic naval operations, the region remains on the leading edge of technological innovation in this key sector.
3. **Entrepreneurial Community** – Scores of entrepreneurs have concentrated in San Diego, along with an equally strong venture capital sector. New ideas and new technologies continuously grow in the region.
4. **Partnerships Between Business, Research and Educational Communities** – In the view of the EDC, this is by far one of their greatest competitive advantages, and clearly differentiates San Diego from other developed centers of R&D and high tech. The networks are dynamic and deep.

### Primary Economic Clusters

- Life Sciences & Biotechnology
- Information Technology
- Software & Computer Services
- Defense & Transportation Manufacturing
- Communications
- Computer & Electronics

### Marketing to Targeted Clusters

In 2005, the EDC commissioned a major study entitled *The Indicators of Sustainable Competitiveness*. Essentially, the organization identified 13 potential and ideal competitor markets

as benchmarks. The comparative analysis contained in this seminal report enabled the EDC to bring more focus to its outreach initiatives. The organization does not keep score on the basis of locates and jobs created, but rather more qualitative factors such as environmental well-being (water and air quality); economic well-being (standard of living, educational attainment) and equity (income distribution, housing affordability.) The EDC has targeted cluster-specific firms within those markets and is conducting business attraction trips to interest those firms in establishing a presence in the San Diego region. In addition, the EDC expends considerable resources on developing, maintaining and participating in cluster-related trade organizations and shows. In cooperation with these trade groups, the EDC hosts San Diego based events.

### Incentives

The EDC defines incentives differently than the average economic development organization. Because of the lack of incentives available at the local and state level, the EDC has worked to position and package the synergy and relationship networks as a major inducement for business retention and recruitment prospects. For example, the bioscience networks between the EDC, the universities and research institutes have proven to be the most important “incentive” that the organization can offer. Despite the lack of any public funding to induce any of the major players that have established significant presence there, the San Diego region is the largest life sciences hub in the U.S.

Again, the EDC does not maintain the traditional scorecard of economic development organizations. It does not claim to have assisted many companies in the last few years, and in fact, maintains that it only now is starting to go outside of the region for recruitment purposes.

## Best Practices for Business Recruitment

The EDC is justifiably proud of its *Indicators of Sustainable Competitiveness* and views that report and the new success criteria as a best practice. This data provided the San Diego leadership with clear information on its future sustainability. Many areas for improvement were identified and the EDC's Board has launched the "Best Practices Missions," visiting Austin and Denver to find out more about how those markets have attained high performance standards in the environmental, economic and equity arenas. In addition, the cluster-specific initiatives, both on the outreach front as well as the business/education/research networks, are considered a best practice. Finally, the EDC believes that its market intelligence – the information it can deliver to any company or investor on San Diego's economy, research and business base – stands above most other communities.

The EDC did not reference CONNECT as a best practice, but it is widely regarded as one of the most successful regional programs that links high tech and life science entrepreneurs with the resources they need for success: technology, capital, markets, management, partners and support services. Founded in 1985 with the assistance of the San Diego Regional Economic Development Corporation and other leading business organizations, CONNECT began at UCSD but has since spun out and gained independent status. The organization plays a dual role in accelerating growth: it provides added value and delivers targeted, high-level expertise to San Diego's technology business community by teaming up with the region's most prominent industry-specific organizations and individuals, and by partnering with world-class UCSD resources, such as the School of Medicine, Jacobs School of Engineering, San Diego Super Computer Center and Scripps and Salk Institutes. Since its inception, CONNECT has assisted more than 800 technology firms. Other cities and countries are replicating the CONNECT model; similar organizations now are operating in Scotland, Denmark, Norway, Sweden and Taiwan. CONNECT is

entirely self-supporting through membership dues, course fees and corporate underwriting for specific programs.

Another best practice that was not referenced by the San Diego Regional EDC is the High Tech High School, an initiative that was driven by the business and educational leadership of that organization in 2000. High Tech High began as a single charter high school and has since evolved into a school development organization with a growing portfolio of innovative charter schools spanning grades K-12. HTH combats the twin problems of student disengagement and low academic achievement by creating personalized, project-based learning environments where all students are known well and challenged to meet high expectations. These schools have redesigned education to ensure that all students graduate well prepared for college, work and citizenship; they also deliver curricula based in technology including robotics, life sciences, information technology and other key sectors. HTH Schools were the first charter schools in California to credential their own teachers, and their relationships and networks with the business community are extremely well-developed. One hundred percent of their graduates have been accepted to colleges; 80 percent of them to four-year degree granting institutions.

## TUCSON, ARIZONA

Tucson has an incredibly rich heritage, being the oldest continually settled town in the country. It is a diverse mixture of Spanish, Native American, Mexican and contemporary American cultures are reflected in the community's unique style of architecture. The community is a mere 60 minutes from the border of Mexico and forms one endpoint of the 100-mile I-10 corridor that connects to Phoenix. Much of Tucson's economic development has been linked to the University of Arizona. In addition, two significant military installations - the Davis-Monthan Air Force Base and the U.S. Army Intelligence Center Fort Huachuca – have provided highly stable economic underpinnings for the region, leading the



aerospace/defense industry to become the strongest cluster currently in the region.

Many trophy-name advanced technology firms have located and grown in Tucson: Raytheon Missile Systems, Texas Instruments, Intuit and Sanofi-Aventis have a significant presence there. Since the early 1990s, the optics industry emerged in Tucson as a major focal point. Today, there are more than 150 companies related to the optics industry that are doing business in Tucson. Tourism is a major component of the Tucson economy due in part to the middle and upper socio-economic cohort of Sonorans who travel to the region to shop.

### Tucson Regional Economic Opportunities – TREO

Greater Tucson's population is approximately 957,000 and nearly 50 percent of the region's residents participate in the workforce. The region has more than 306,821 non-agricultural jobs served by 19,795 business establishments. The largest employment sector is Trade, Transportation and Utilities (58.9 percent) followed by Education and Health Care (51.6 percent.) The Leisure and Hospitality sector accounts for 41.7 percent of the region's jobs. As of July 1, 2005, the U.S. Census Bureau estimates placed the City of Tucson's population at 521,605 and the metropolitan population at 931,210. By 2008, the city population is expected to exceed 610,000 while the metropolitan population is projected to reach over a million. In 2005, Tucson ranked as the 32<sup>nd</sup> largest city and 52<sup>nd</sup> largest metropolitan area in the U.S. Tucson is Arizona's second largest city and the largest urban center in Southern Arizona. TREO's sphere of influence includes the major incorporate suburbs of Oro Valley, Marana, South Tucson and Sahuarita.

Founded in July 2005, TREO is a new private-public partnership with a mission to serve as a "single, focused economic development effort to ensure sustainable vitality for the region's

future." TREO is the lead economic development agency for the Greater Tucson region. TREO's vision for the community it serves is to strengthen Greater Tucson by "providing leadership with vision and coordination . . . through an integrated approach of programs and services to support the creation of new businesses, the expansion of existing businesses within the region, and the attraction of companies that offer high value jobs and share the community's values." Central to the organization's foundation are a set of values that reflect what is most important in the economic development of the Tucson region as seen in this diagram.



Source: TREO Website, September 2006, [www.treoaz.org](http://www.treoaz.org)

The organization is governed by an 11 member Board of Directors comprised of elected officials from the local and county governments; the presidents of the University of Arizona and Pima County Community College and private sector leaders. TREO's annual budget for FY 2007 is \$3.97 million. Its funding is derived primarily from the public sector, with the City of Tucson and Pima County providing 70 percent of the revenues. As is typical in a start-up situation, the public sector proportion of funding is stronger and will evolve over time into a predominance of private sector funding. About 40 companies comprise the private sector

funding base; minimum contributions are \$2,500. In addition, a Council of Trustees has been established, requiring a minimum commitment of \$50,000 annually. Approximately 13 to 18 companies contribute at that level. TREO has a staff complement of 25 highly experienced professionals.

TREO's structure is unique in that it is an authentic "one stop" center for business and economic development services, including workforce development and administration of the enterprise and foreign trade zones. This configuration is unique in that an existing or prospective new business can attain access to all of the resources available in greater Tucson through one point of contact.

### Major Competitive Advantages

1. **Unique One Stop Structure** – Greater Tucson has a unique asset in TREO. The organization uniquely delivers all business and economic development services and program offerings to its clients. TREO's business model is structured to be an agile and integral component of the business location decision value chain.
2. **Strategic Location** – Greater Tucson's close proximity and rapid access to the vast markets of California and Mexico is unparalleled.
3. **Access and Affordability of Workforce** – Employers located in Greater Tucson have access to a broad regional labor shed. The cost of labor is competitively priced compared to Phoenix and other major markets.
4. **Bilingual Work Force** – Greater Tucson's workforce has a distinct advantage in its diversity; of the more than 391,724 individuals participating in the region's workforce, 25.81 percent are of Hispanic heritage.

### Primary Economic Clusters

Presently, TREO is re-evaluating the cluster based economic development strategy that was created in 1996. This approach was developed as part of a major statewide initiative in the early 1990s.

In fact, Arizona was the first state to adopt Michael Porter's cluster based economic development theory and put it into practice. This significant undertaking came at a time when the Arizona economy was in recession and the state's leadership recognized that continued reliance on growth as its number one industry would be detrimental to the future well-being of the state. While TREO is revisiting the effectiveness of this strategy, the clusters that drove previous economic development efforts are:

- Aerospace
- Bioindustries
- Environmental Technologies
- Information Technology/Software
- Optics
- Teleservices
- Plastics & Advanced Composite Materials
- Fabricated Metals
- Industrial Machinery & Equipment
- Electronic & Other Electronic Equipment
- Instruments & Related Products

### Marketing to Targeted Clusters

At the present time, TREO has several major initiatives underway, mostly related to evaluation, research, data delivery and tracking systems. A significant accomplishment was attained when TREO negotiated an agreement with the Arizona Department of Commerce to serve as the exclusive referral contact for Southern Arizona. This enhances a pipeline of qualified prospects, although



over half the prospects originate directly to TREO from site selection consultants.

On the marketing front, TREO is participating in key industry and professional events, including CoreNet and industry-specific trade shows and summits. Through its president and CEO, the organization maintains productive relationships with the national site location consultant community. TREO's primary marketing focus at this time is to personally visit leads to convert them to prospects and, ultimately, to successful locates.

### **Incentives**

TREO uniquely can deliver specific incentives through its administration of the local workforce training resources, the Enterprise Zone and the Foreign Trade Zone. As is typical of Arizona, some incentives are available at the state level, almost always on a case-by-case basis. Historically, Arizona has not been an incentive-rich state and has captured substantial new business without them. The relocation of Pella Corporation is a prime example of this fact.

### **Best Practices for Business Recruitment**

1. **Full Range of Business Services** – TREO is able to provide the complete range of professional business location information and services to its clients.
2. **Agile Organizational Structure** – TREO has a small Board of Directors and is able to respond to opportunities very quickly.
3. **Highly Professional Staff** – TREO's staff of 25 is highly talented; the organization compensates them well and they comprise a high performance team that has significant capacity to deliver.

## **III. Analysis of Economic Development Organizations and Programs**

### **Organizational Differences**

As the above analysis demonstrated, the economic development organizations among the Tucson, Austin, Orlando and San Diego regions are quite disparate. Their structures range from a traditional and historic chamber to a start-up, private-public partnership. However, their respective board compositions are relatively similar. In all cases, chief elected officials of local governments, presidents of universities and community colleges and business leaders serve on these boards. One major difference is the magnitude of private sector leadership, which in TREO's instance, appears to be the weakest vis-à-vis these other competitor markets. Of the four organizations, TREO's board is the most nimble but also the smallest. Budgets among the organizations are comparable. However, there is a major disparity in the proportion of private to public funding for TREO. As would be expected in a new organization, the percentage of public funds for TREO is extremely high compared to these other markets, but on par with where government revenues typically are for new private public partnerships.

Another significant difference between the organizational structures of these four organizations is the level of corporate leadership. It appears that while TREO enjoys strong support and endorsement from the top levels of city and county government, the organization requires the same level of commitment and engagement from top business leaders. Also, TREO is the only one of these four organizations that does not require a minimum dollar investment in order to be appointed to its Board of Directors. One of the most important assets that the other three economic development executives stated was the absolute, unequivocal support they receive from their region's top business leaders.

When compared to the other markets, TREO is in an enviable position in that it is the sole organization with significant authority to deliver specific incentive-type programs including workforce training monies, FTZ and Enterprise Zone benefits. The Metro Orlando EDC also has significant powers and authority; it runs the film industry development organization and serves as a one-stop shop for the permits that filmmakers need to set up shop. Metro Orlando EDC also runs the region's international trade and development commission. It is the sole organization responsible for business retention and recruitment in its sphere of influence. In contrast, San Diego Regional EDC works in a highly fragmented environment, in some cases competing with at least eight other economic development organizations. The Greater Austin Chamber of Commerce has been and will remain the sole business recruitment organization for that region.

### Marketplace Advantages

The Tucson, Austin, Orlando and San Diego regions are growth regions, continuing to capture domestic and foreign immigration. That the economies of these regions have remained fairly robust, with the exception of the national economic recession in the late 1980s/early 1990s, is testament to a variety of factors. For Austin, Orlando and San Diego, they will tell you that their economic progress is a result of their concerted strategies and initiatives that they have executed over the years. There are several distinct competitive advantages that each market can capitalize on which are highlighted in Section 1.

For Austin, Orlando and San Diego, there is significant momentum in economic development building upon some of their major competitive advantages. For example, the inexorable force of tourism will continue to drive Greater Orlando's economy, embellish its already well-established image and showcase the market to the millions of visitors who travel there each year. More recently, Greater Orlando and the Metro Orlando Economic Development Commission have had major successes on the

business recruitment front, most recently recruiting the Burnham Institute for Medical Research to build its Eastern headquarters in the city. Orlando increasingly is appearing in the top quartile of major national rankings. Its airport is second to none in terms of international connectivity.

In Austin's case, the recent success of landing the Samsung facility – what will be the world's largest semiconductor plant – is one more victory that follows previous such wins. The Samsung plant is an enormous victory for Austin and Texas, not only for the \$5 billion of private capital that will be invested to build it, but for the additional billions that will be generated directly and indirectly in Greater Austin's economy for decades to come. Through the University of Texas, Austin has a continuous source of young intellectual capital and an economy that is providing the types of jobs that these 21<sup>st</sup> century knowledge workers expect. Additionally, the community has another dimension it can promote – more live music bars and cafes than any other place in the nation.

San Diego is in a league of its own, which is where the KMK Team hopes to guide Tucson. San Diego has economic development momentum because it has reached a critical mass in one of the most dynamic industries in this new economy – biosciences. Further, Greater San Diego is working hard to build critical mass in other sectors as well, and given its track record, is likely to succeed. At the same time, this market is plagued with one of the highest costs of living and most congested transportation systems in the U.S. And yet businesses, venture capitalists, entrepreneurs and highly skilled and educated talent continue to migrate. Like Tucson, it has a comparable airport and its public university is considered one of the best in the world in specific areas of science but had more humble beginnings.

One of the most significant and symbolic differentiators for greater Tucson is the presence of a bilingual workforce. Clearly, having a diverse workforce and talent base is at a premium in the economic



development arena. Diversity is core strength and one that will need to be fully optimized as TREO's blueprint develops.

Another important differentiator between markets is the quality and reputation of the public higher education resources. In Section 3 of this assessment, specific comparative rankings are provided. The University of Arizona does fare well, especially when compared to the University of Central Florida (Orlando) and in some cases, the University of Texas (Austin). However, the key difference between greater Tucson and these strategic competitive markets is the extent of engagement that the University of Arizona has in terms of the economic development in its hometown region. In all cases, including Orlando with its large but below average public university, there is a seamless and highly synergistic relationship between the economic development organizations, their agendas and their universities. While The University of Arizona has had a long tradition of promoting economic development office, the office's programs have largely been independent of the region's priorities. The University's economic development agenda must be aligned with those of TREO in order to bring value and fully capitalize on the very favorable reputation of the institution. Top economic development officials with the large universities in San Diego, Orlando and Austin work as fully integrated members of the economic development organization teams in those markets. The primary lesson here is that the Greater Tucson economic development agenda can and should drive the business and economic development agenda of The University of Arizona.

### **Primary Clusters/Targets**

Although TREO currently is re-evaluating its commitment to a cluster based strategy, it is helpful for the organization to know the types of clusters and industries that its "best of class" strategic competitors are targeting for recruitment. Table 1 features the clusters from each market.

There is significant redundancy between the primary clusters of greater Tucson and the Austin, Orlando and San Diego markets. These clusters undoubtedly are repeated hundreds of times on similar lists of cities, counties, regions and states. Clearly, the Austin, Orlando and San Diego regions are working with significant competitive strengths, and in the case of Austin and San Diego, already have attained critical mass in at least one of their primary clusters. As TREO continues through this analysis phase, it will be mission critical to determine the clusters having the best fit for the region and the highest propensity for success.

<b>Table 1: Economic Development Clusters/Target Industries: Identified by Region</b>	
<b>Region</b>	<b>Clusters/Target Industries</b>
<b>Tucson, AZ<sup>1</sup></b>	<ul style="list-style-type: none"> <li>&gt; Aerospace, Manufacturing &amp; Information Technology</li> <li>&gt; Bioindustry</li> <li>&gt; E-Learning</li> <li>&gt; Nanotechnology</li> <li>&gt; Optics</li> </ul>
<b>Phoenix, AZ<sup>2</sup></b>	<ul style="list-style-type: none"> <li>&gt; Advanced Business Services</li> <li>&gt; Aerospace</li> <li>&gt; Bioindustry</li> <li>&gt; High-Tech</li> <li>&gt; Life Sciences</li> <li>&gt; Software</li> </ul>
<b>Austin, TX<sup>3</sup></b>	<ul style="list-style-type: none"> <li>&gt; Automotive</li> <li>&gt; Biomedical &amp; Pharmaceuticals</li> <li>&gt; Clean Energy Technologies</li> <li>&gt; Digital Media &amp; High Tech</li> <li>&gt; Distribution &amp; Logistics</li> <li>&gt; Semiconductor</li> <li>&gt; Wireless</li> </ul>
<b>Orlando, FL<sup>4</sup></b>	<ul style="list-style-type: none"> <li>&gt; Agri-technology</li> <li>&gt; Aviation &amp; Aerospace</li> <li>&gt; Digital Media/Interactive Entertainment</li> <li>&gt; Financial Services</li> <li>&gt; Information Technology</li> <li>&gt; Life Sciences/Medical Technologies</li> <li>&gt; Microelectronics/Nanotechnology</li> <li>&gt; Modeling, Simulation &amp; Training</li> <li>&gt; Optics &amp; Photonics</li> <li>&gt; Sustainable Energy</li> </ul>
<b>San Diego, CA<sup>5</sup></b>	<ul style="list-style-type: none"> <li>&gt; Communications</li> <li>&gt; Computer &amp; Electronics Manufacturing</li> <li>&gt; Defense &amp; Transportation Manufacturing</li> <li>&gt; Life Sciences</li> <li>&gt; Software &amp; Computer Services</li> </ul>
Source: 1. Southern Arizona High-Tech Connection, 2006. 2. Greater Phoenix Economic Council, 2006. 3. Greater Austin Chamber of Commerce, 2006. 4. Florida High Tech Corridor, 2006. 5. San Diego Regional Economic Development Corporation, 2006.	



When reviewing the top employers in each market, greater Tucson has a distinct advantage in having a company of Raytheon Missile Systems' caliber with such a significant presence in the region. As seen in Table 2 below, out of the top five corporate employers for each market, Austin has a distinct advantage in terms of primary

employers with the presence of Dell Computer Headquarters. The other three markets, including Phoenix, have significant tourism and health care related employers. Wal-Mart is the largest private employer in Arizona, with 28,000+ full time equivalents. The retail giant also is the largest private employer in 25 other states.

**Table 2: Top Five Corporate Employers**

	Company	Employees	Headquarter Location (X)
Tucson, AZ <sup>1</sup>	Raytheon Missile Systems	10,756	
	Wal-Mart Stores	4,980	
	Phelps Dodge Mining Company	4,123	
	Carondelet Health Network	3,751	
Phoenix, AZ <sup>2</sup>	TMC HealthCare	3,276	X
	Wal-Mart Stores, Inc.	28,246	X
	Banner Health Systems	19,250	
	Wells Fargo Company	11,533	
	Honeywell Aerospace	10,700	X
Austin, TX <sup>3</sup>	Intel Corp.	10,100	
	Dell	17,000	X
	IBM Corp.	6,000+	
	Seton Healthcare Network	6,000+	
	Advanced Micro Devices	6,000+	
Orlando, FL <sup>4</sup>	Applied Materials	6,000+	
	Walt Disney Co.	56,800	
	Adventist Health System (Florida Hospital)	22,637	X
	Wal-Mart Stores, Inc.	18,650	
	Publix Super Markets, Inc.	16,897	
San Diego, CA <sup>5</sup>	General Electric Co. (Universal Orlando)	13,000	
	Sharp Healthcare	13,175	X
	Scripps Health	10,617	X
	Kaiser Permanente	7,121	
	Qualcomm, Inc.	6,400	X
	Sempra Energy	5,442	X

**Sources:**

1. Tucson Regional Economic Opportunities, 2006. Note: Wal-Mart figure is a % of figure reported under greater Phoenix.
2. *The Business Journal Book of Lists*, Greater Phoenix Economic Council, 2006. **Note:** Figures total Arizona employment.
3. Greater Austin Chamber of Commerce, 2006.
4. *Orlando Sentinel*, 2006. **Note:** *Orlando Sentinel* states that several companies with large workforces did not respond or report employment figures.
5. San Diego Regional Economic Development Corporation, 2006.

## Marketing Strategies and Best Practices

Surprisingly, the four markets reviewed have very traditional economic development marketing programs, if any at all. They are fairly unsophisticated in that they utilize old economy approaches, including trade show attendance and direct mail, among others, for their marketing efforts. Of the competitor markets, only Orlando uses new technology and innovative techniques in advertising.

The Metro Orlando Economic Development Commission is very aggressive in conducting personal sales calls to out of state firms. One of their top business development professionals is on the road 47 out of 52 weeks a year. This is the level of relationship development that is required to generate the portfolio of qualified prospects currently held by the EDC. The Greater Austin Chamber of Commerce is also aggressive with respect to personal sales calls to out of state firms. In addition, the Chamber regularly identifies between 15 to 20 firms that are not in the region but are prime targets. The Chamber then actively engages its private sector leadership and members to place calls to these targeted prospects. Those individuals also are responsible for cultivating and maintaining the customer relationship management with these firms.

What has occurred with two of the major competitors markets is a greater focus on sustainability and quality of life issues. San Diego's seminal *Indicators of Sustainable Competitiveness: A Quality of Life Index* has become the economic development doctrine for that region. Greater Austin has similar initiatives, including the *Austin Sustainable Communities Initiative* and the *Envision Central Texas* project, both of which are public/private collaborations to strengthen and enhance the quality of life for future generations to come. A review of similar initiatives on the Internet indicates that more than 20 states and at least 11 other regions have sustainability agendas that currently are either under development or in the stage of implementation.

In contrast to greater Austin, greater Tucson has had a long history of environmental and sustainable community initiatives. This rich tradition can also be integrated into TREO's economic development strategy and marketing endeavors. Blue chip corporate giants and smaller knowledge economy enterprises alike are on a mission to demonstrate their corporate social responsibility. Many are investing in "green" and/or "sustainable" communities. This is an opportunity worth exploring.

In terms of best practices for marketing, it was difficult to ascertain from the competitor markets their assessment of the best practices they deploy in the execution of their responsibilities. Both TREO and the Metro Orlando EDC cited their highly trained and experienced staffs. Clearly, TREO has a decided advantage as an authentic "one-stop" shop. Metro Orlando maintains that its state of the art internal technology is a decided advantage and a best practice in the economic development field. All three competitor organizations cited their highly engaged and ardent corporate and business leadership, specifically the extent to which they actively participate in the economic development outreach. The San Diego Regional EDC referred to the Sustainability Index and how that has helped to re-energize and galvanize the top corporate and entrepreneurial leadership of that region to engage in economic development. Finally, both TREO and San Diego Regional EDC cited their respective databases and market intelligence as best practices.

## Top Locations/Expansions

Although there is an emerging trend of using more qualitative factors when measuring the success of economic development organizations, in the final analysis, investors and politicians look at the number of jobs and brand names of companies that these entities have "won" for their communities. TREO's performance stands in good stead when compared to its strategic competitors in terms of these criteria. It is interesting to note that the San Diego



Regional Economic Development Corporation compiled a list of locates/expansions only after persistent requests for this data. As noted previously, that EDC does not keep score in the traditional

sense of the profession. TREO's performance as compared to its competitors in Austin, Orlando and San Diego can be seen in Table 3.

Table 3: Top Five Locations/Expansions by Employment 2004/2005/2006					
Region	Locate or Expansion		Type	New Jobs	Capital Investment
Tucson AZ <sup>1</sup>	Citigroup		Information Technology-Teleservice	1,000	N/A
	GEICO		Information Technology-Teleservice	600	N/A
	Pella Corporation		Vinyl Windows and Doors	450 <sup>a</sup>	\$20 million
	United Collection Bureau		Accounts Receivable Management	450 <sup>a</sup>	\$3.5 million
Phoenix AZ <sup>2</sup>	APAC		Information Technology-Teleservice	400	N/A
	CSAA		Business Services – Back Office/Call Center	1,500	\$21.3 million
	Mountain View Medical Center		Hospital – Healthcare	1,100	\$115 million
	Arizona State Saving PayPal		Back Office Business Services – Back Office/Data Center	480 400	\$14.3 million \$5 million
Austin TX <sup>3</sup>	Corinthian College		Business Services – Back Office/Call Center	250	\$1 million
	Samsung		Semiconductor Chip Manufacturing	900	N/A
	Advanced Micro Devices		Semiconductor-Chip Manufacturing	300+	N/A
	Hewlett-Packard		Data Centers	280	N/A
	Motorola		Wireless Software/Mobile Platforms R&D	150	N/A
	Resnik Group		Audit/Accounting Services	150	N/A
Orlando FL <sup>4</sup>	CuraScript Pharmacy, Inc		Pharmaceutical Distribution	350	\$12.6 million
	Staples		N/A	340	\$4.4 million
	Science Applications International		Simulation Firm	300	N/A
	Burnham Institute for Medical Research		Scientific Research/Innovation	300	N/A
	SAIC		N/A	300	\$14.5 million
San Diego CA <sup>5</sup>	Biogen Idec		Biotech	400	N/A
	Gemini Science/La Jolla Institute for Allergy & Immunology		Biotech	350+	N/A
	Sony Electronics		Consumer Electronics	200-300	N/A
	LightPointe, Inc. <sup>b</sup>		Wireless	110	N/A
	Tanox, Inc.		Biotech	80	N/A

Sources:

1. Tucson Regional Economic Opportunities, 2006. **Note:** (a) indicates # of planned jobs.

2. Greater Phoenix Economic Council, 2006.

3. Greater Austin Chamber of Commerce, 2006.

4. Orlando Economic Development Commission, 2006. Expansion Management online 2006.

5. San Diego Regional Economic Development Corporation, 2006. **Note:** (b) LightPointe is a corporate HQ relocation.

## IV. Comparative Assessment of Primary Location Attributes

The globalization of the economy has brought innovation to the forefront of corporate agendas. Innovation today is one of the fundamental drivers of business models, business strategy and business location. Companies recognize that the U.S. no longer has a monopoly on innovation. Large corporations emerging in China, India, Russia and Brazil and beyond are rapidly advancing in their industry sectors. These new world players are able to either innovate or copy innovative solutions and products and deliver them far more affordably than many American blue chip companies.

According to IBM's 2006 Global CEO Study as well as recent studies from the Business Higher Education Forum, innovation is a major focal point for CEOs and government leaders worldwide. Not only are CEOs committed to innovation as a major driver for the profitable growth of their own firms, but leaders in both the private and public sectors realize that innovative solutions will be essential to address many of the challenges confronting society today - from medicine to education to consumer products.

Consequently, the availability of intellectual capital and all that this brings with it - entrepreneurship, innovation, education, technology, accessibility - will remain a primary factor in where firms determine it is in their best interest to locate. Access to research, education, technical talent and scientific discovery is inextricably linked to economic growth. For greater Tucson, this means that more than ever, the region needs to focus on ensuring that its competitive standing in the intellectual capital arena ranks among the best of the best U.S. locations.

## Workforce

For most economies, the most important measure of economic development today is the availability and skill levels of people and the opportunities that arise from their participation in the economy of tomorrow. It is the development and use of talent that ultimately decides the fates of regions and nations. It is at the regional level where talent development, retention and recruitment spur economic growth and competitiveness. The best economic development organizations today are keenly focused on creating environments and building capacity to produce the type of talent that every company wants to hire. This imperative is critical to the success of economies.

Greater Tucson has a very favorable position vis-à-vis its strategic competitors in terms of its workforce. As cited earlier, the region's workforce composes approximately half of its population base. The large Latino/Hispanic concentration of worker-age residents is a decided plus, and TREO fully understands how advantageous these demographics are to its ability to successfully retain and recruit employers. The workforce characteristics of greater Tucson and its strategic competitors are depicted in Table 4.

In terms of available workforce (sheer numbers), the differences between greater Tucson and these strategic competitor markets are very apparent. This suggests that TREO needs to greatly expand its definition of labor market shed as it positions itself to prospects. For example, with the presence of two very large military installations, there inevitably are many service personnel who are retiring or separating from the service when their tours of duty are complete. Tying into this human capital resource base could be a distinct competitive advantage for greater Tucson. Retaining those individuals and connecting them to the community and job economy in a substantive manner would enable TREO to significantly expand its competitive position in terms of available work force.



The following table is a comparative analysis of how greater Tucson and its primary economic development and intellectual capital resources fare when compared with those of Austin,

Orlando and San Diego. In all cases, Phoenix's ranking has been added as a point of reference only

Table 4: Workforce Data by Region						
REGION:	Tucson, AZ <sup>1</sup>	Phoenix, AZ <sup>2</sup>	Austin, TX <sup>3</sup>	Orlando, FL <sup>4</sup>	San Diego, CA <sup>5</sup>	
Employment / Unemployment	Figures Year: 2005	Figures Year: 2005	Figures Year: 2005	Figures Year: Aug. 05 to Aug. 06	Figures Year: 2005	
Labor Force	257,686 /	1,832,500 /	805,825 /	1,067,062 /	1,505,200 / 1,440,500	
Employment #	234,815	1,743,100	771,004	1,032,408		
Unemployment	18,860	74,300	34,821	34,654	64,700	
Employment by Industry	Industry Figures: 2005	Industry Figures: 2005	Industry Figures: 2005	Industry Figures: 8/05 – 8/06	Industry Figures: 2005	
Construction, Mining, Natural Resources	24,989	163,100	40,100	85,800	91,800	
Educational, Health Services	54,469	178,900	71,600	104,800	N/A	
Financial Activities (FIRE)	13,305	145,600	40,900	66,400	83,200	
Government	13,014	208,800	149,900	114,100	214,800	
Information	3,665	32,900	21,600	27,300	N/A	
Leisure, Hospitality	26,141	165,800	69,600	193,400	N/A	
Manufacturing	17,457	132,200	57,200	46,600	104,200	
Other Services	11,487	65,500	26,800	50,500	568,800 <sup>f</sup>	
Professional, Business Services	26,748	295,900	93,900	194,200	N/A	
Retail Trade	29,622	N/A	72,700	123,400	146,900	
Transportation, Warehousing, Utilities	8,063	354,500 <sup>b</sup>	11,500	27,500	34,900	
Wholesale Trade	6,135	N/A	37,400	46,900	43,700	
New Labor Market Entrants (Enrollment in Four-Year	34,300 <sup>a</sup>	227,043 <sup>c</sup>	84,630 <sup>d</sup>	45,090 <sup>e</sup>	105,083 <sup>g</sup>	

University					
Sources:					
1. US Census Bureau, American Community Survey, 2005; Tucson Regional Economic Opportunities, 2006. (a) figure relays Spring 06 enrollment at UofA.					
2. Arizona Department of Economic Security and Bureau of Labor Statistics, Greater Phoenix Economic Council, 2006; (b) figure includes services providing trade. (c) Source: US Census Bureau, 2005.					
3. Texas Workforce Commission, Greater Austin Chamber of Commerce, 2006. (d) Source: Texas Higher Education Coordinating Board & US National Center for Education Statistics, 2005; figure relays Fall 05 enrollment in all greater Austin four-year universities/colleges.					
4. Orlando Economic Development Commission, Agency for Workforce Innovation, 2006. (e) Source: University of Central Florida (UCF); figure relays Fall 05 enrollment at UCF.					
5. California Employment Development Dept 2005 Benchmark (not seasonally adjusted), 2006. American Community Survey, 2004. San Diego Regional Economic Development Corporation, 2006. Note: (f) indicates figure includes Health, Leisure and Other Services categories. (g) Source: California Department of Education, 2006; California Postsecondary Education Commission, 2006 (includes 2005 data for public and 2004 data for non-public institutions).					

The Milken Institute's 2005 Best Performing Cities Index provides another important glimpse into greater Tucson's competitiveness in terms of workforce productivity. In this analysis, the Milken Institute utilized such critical success factors as total five year job

growth and high tech GDP as measures of high performing economies, based on workforce quality and productivity. Again, in this prestigious ranking, greater Tucson performed admirably against its top three competitors as seen in Table 5.

Table 5: Best Performing Cities for 2005: Ranked by Milken Institute 200 Largest Metros						
Region	2005 Rank	2004 Rank	5 Year Job Growth 1999-2004 2004 Value / Rank	High-Tech GDP LQ 2004 Value / Rank	Overall Index	
Tucson, AZ	14	17	104.74 / 53	1.68 / 16	209.30	
Phoenix, AZ	15	3	107.76 / 28	1.44 / 35	209.87	
Austin, TX	58	64	102.87 / 72	1.75 / 14	431.30	
Orlando, FL	6	29	108.78 / 25	.94 / 70	165.60	
San Diego, CA	29	16	107.12 / 33	1.63 / 19	303.94	
Source: Milken Institute, <i>Best Performing Cities Index 2005: Where America's Jobs are Created and Sustained</i> , February 2006.						



## Higher Education

Public policy makers, CEOs, economic developers and educational experts have suggested that the role of higher education in a knowledge-driven economy has never been more important as innovation and human capital become central to economic growth. For emerging regions such as greater Tucson, the presence of higher education resources plays an even more important role. The region is competing with other world-class centers of human capital and innovation that historically have placed a premium on these factors to propel their economic growth. Recently, the Massachusetts Institute of Technology (MIT) and the University of Cambridge in the United Kingdom created a consortium to examine universities, innovation and the competitiveness of local economies. At the core of the MIT project's work is the premise that local economies succeed when firms are able to respond to changing market conditions by producing new products, services and production methods. The university has a fundamental role and major contributions to creating these conditions.

The presence of top ranked universities that are research driven and able to develop and graduate competent talent is paramount to all business, regardless of sector or national origin. This is even more relevant for knowledge-driven companies that are competing in the global marketplace. Increasingly, communities across the nation and around the world are striving to improve post-secondary offerings within their own borders. For example, in China alone, more than 50 new public universities are either in planning stages or under development. India's Institute of Technology – world renown for graduating the best software engineers in the world and considered more deferentially than MIT – is expanding its institution to accommodate the 250,000 computer software engineers it wants to produce over the next several years.

In terms of greater Tucson and its key competitors, there are several tables depicted below that provide the most recent ranking information of the major four-year institutions that operate in these markets. Of significant importance to the greater Tucson region and to TREC's ability to effectively and successfully market to employers that provide sustainable and high quality job offerings is the perception and standing of The University of Arizona. Based on the most universally accepted rankings of four-year and postgraduate degree institutions, The University of Arizona has received very high status. In its September 23 edition, *The Arizona Republic* published a page A-1 story on the importance of these rankings and the measures that The University of Arizona took over the past few years to improve its standing.

As depicted in Table 6, this particular ranking of top 500 universities by the Shanghai Jiao Tong University's Institute for Higher Education is considered one of the most prestigious such rankings in the world. The University of Arizona ranks in the top 100 of the top 500 universities – a standing that is very favorable when compared to Phoenix and Orlando. In the more popular *U.S. News and World Report* annual rankings (as seen in Table 7), again, The University of Arizona emerged this year in the top 100. Neither Arizona State University nor the University of Central Florida ranked sufficiently high to be included in the overall top 100 ranking for public universities.

However, in reviewing the public university science ratings, a different picture emerges. The University of Arizona received above average rankings in the major areas of strength and quality in the sciences as noted in Table 8. While the University of Central Florida is that state's second largest public university, the institution itself does not merit rankings in any of the categories evaluated by U.S. News and World Report. Regardless of methods utilized to attain higher and continuously improved scores, as noted in the September 23 *Arizona Republic* article on the University of Arizona's efforts to raise its rankings, the fact

remains that greater Tucson's most important post-secondary resource merits rankings in the top 50 of public universities. This standing provides a decided comparative advantage for TREO.

<b>Table 6</b> <b>Academic Rankings of World Universities – Top 500</b>	
<b>Region</b>	<b>Rank</b>
<b>Tucson, AZ</b> University of Arizona	76
<b>Phoenix, AZ</b> Arizona State University	100
<b>Austin, TX</b> University of Texas - Austin	39
<b>Orlando, FL</b> University of Central Florida	358
<b>San Diego, CA</b> University of California-San Diego	13
Source: Institute of Higher Education; Shanghai Jiao Tong University, 2006.	



Table 7: Higher Education Institutions: Rankings by Area							
Region	Top Schools Rank	Financial Resources Rank	Business Program/School Rank (undergrad/grad)	Engineering Program/School Rank (undergrad/grad)	Law School	Medical School (Research /Primary Care)	Education Program
Tucson, AZ, University of Arizona	98	80	21 / 57 (Eller)	48 / 52	43 (Rogers)	57	53
Phoenix, AZ Arizona State University	Not Ranked	Not Ranked	23 / 34 (Carey)	39 / 47 (Fulton)	53	Not Ranked	Not Ranked
Austin, TX University of Texas - Austin	47	104	7 /18 (McCombs)	11 / 13	16	Not Ranked	15
Orlando, FL University of Central Florida	Not Ranked	Not Ranked	143	97	Not Ranked	Not Ranked	Not Ranked
San Diego, CA University of California-San Diego	38	27	Not Ranked	19 / 11 (Jacobs)	Not Ranked	14/ 33	Not Ranked

Source: US News & World Report, 2007 National College/Program Rankings, 2006.

**Table 8: Higher Education Institutions: Ranking of Strength/Quality in the Sciences\***

Region	Biological Sciences PhD	Chemistry PhD	Computer Sciences PhD	Earth Sciences PhD	Mathematics PhD	Physics PhD
<b>Tucson, AZ</b> University of Arizona	36	38	40	8	42	35
<b>Phoenix, AZ</b> Arizona State University	56	49	51	31	63	55
<b>Austin, TX</b> University of Texas - Austin	24	9	9	9	15	11
<b>Orlando, FL</b> University of Central Florida	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked
<b>San Diego, CA</b> University of California- San Diego	12	18	13	15	21	16

Source: *US News & World Report*, 2007 National College/Program Rankings, 2006.



When compared to the University of California - San Diego and the University of Texas - Austin in the quality of science Ph.D. programs, The University of Arizona still performs above average (50) but well below these two institutions with the exception of the Earth Sciences Ph.D. degree program. To be effective in attracting and keeping both firms and talent in these key areas of science, the University will need to improve its standing in these areas. This is especially important for both greater Tucson and TREO if the region and organization seek to fully optimize the biosciences initiatives that have become center stage for Arizona's economic development.

### **Entrepreneurship and Venture Capital**

Entrepreneurship commonly is defined as the pursuit of opportunity - that is, entrepreneurs see opportunities, often where others only see obstacles and they pursue these opportunities by finding ways to mobilize needed resources. According to its 2005 *Small Business Economy Report to the President*, the U.S. Small Business Administration, entrepreneurship has become the driving force in the U.S. economy. Today, entrepreneurial small businesses are responsible for the majority of innovations as well as new job growth in the U.S. economy.

In the economic development arena, especially at the regional level, entrepreneurship has gained preeminence in the quest to

generate sustainable and high performance economies. With the increasing criticism of tax and subsidy approaches aimed at attracting external capital, an entrepreneurship model of economic development provides a compelling alternative, offering regions the opportunity to "grow their own."

Today, sustainable economic development does not occur in the absence of entrepreneurship. In fact, the linkage between a knowledge-based economy and entrepreneurship is self-evident. Many successful knowledge-based regional economies can be directly correlated to one or two specific entrepreneurs. Once established, they often act as fertile seedbeds from which new entrepreneurs emerge. Developing a competitive economic development position must include strategies for promoting entrepreneurship, supporting the growth of new ventures and creating a climate that attracts venture capital.

Arizona's economy ranks highly among the 50 states in terms of entrepreneurial activity. It comes as no surprise that Texas, Florida and California rank on par or better than Arizona. One very credible source of comparison is the data offered by the Ewing and Marion Kauffman Foundation, which has seeded most university entrepreneurship degree programs in the U.S. and is now taking its reach to higher education institutions around the world. In the Kauffman index of entrepreneurial activity by state, it is clear that Arizona's rank is strong (Table 9).

Table 9: Kauffman Index of Entrepreneurial Activity by State 2004-2005					
	2005		2004		
	Index	Confidence Interval Lower / Upper	Sample Size	Index	Confidence Interval Lower / Upper
Arizona*	0.32%	0.19% / 0.44%	7,849	0.33%	0.19% / 0.47%
Texas	0.35%	0.28% / 0.42%	28,656	0.37%	0.29% / 0.44%
Florida	0.28%	0.21% / 0.35%	24,062	0.30%	0.23% / 0.37%
California	0.32%	0.27% / 0.37%	46,674	0.39%	0.33% / 0.45%

Source: Kauffman Index of Entrepreneurial Activity State Report, 2005.  
Notes: (1) Estimates calculated by Robert W. Fairlie, University of California, Santa Cruz, using the Current Population Survey. (2) The index of entrepreneurial activity is the percent of individuals (ages 20-64) who do not own a business in the first survey month that start a business in the following month with 15 or more hours worked per week. (3) All observations with the allocated labor force status, class of worker, and hours worked variables are excluded.  
(4) Approximate 95 percent confidence intervals for the index for each state are reported.

\*Note: While the Arizona rankings look good, Tucson is deficient in capital (seed, venture, etc.) and other areas. There is a lot of work to make the culture more supportive to entrepreneurial ventures and more to do to make people in the community more aware of what it takes to be considered a "competitive" entrepreneurial community.

Another universally accepted source of rankings for entrepreneurship is found in the PricewaterhouseCoopers' and National Venture Capital Association's annual ranking of venture capital. As seen in Table 10, Arizona is virtually unaccounted for, with a mere .7 percent of all venture capital invested from 1995-2005. While the state's entrepreneurial rankings and small business formation rates are exceedingly high, Arizona's ability to capture venture capital has fared poorly, due in large measure to the historic absence of a concentration of the types of firms that

traditionally attract these funds, namely biosciences and software and other high value added technology commercialization. Of course, with the advent of TGen, the Arizona Biosciences Road Map initiative, the Science Foundation of Arizona and the anticipated arrival and/or formation of bioscience firms, Arizona's ranking will improve over the years. However, this ranking source is one of the foremost such rankings in the world, and this poor showing does not provide a favorable image in this critical measurement.



Table 10: Venture Investments by State PricewaterhouseCoopers/National Venture Capital Association <i>in millions of dollars</i>			
	2005	11-Year Total	Percent
Arizona	148.0	2,319.7	0.7%
Texas	1,068.9	19,472.7	5.7%
Florida	361.2	8,397.9	2.5%
California	10,219.5	143,376.2	42.1%
United States	21,680.0	340,581.4	100%
Sources: PricewaterhouseCoopers; National Venture Capital Association-Money Tree report; Thomson Financial, 1995-2005.			

The Milken Institute, renown for its research and assessment of the competitiveness of states and regions, recently published its first study of university-related biotech transfer and commercialization, factors that figure prominently in assessing the economic competitiveness of regional economies. In this seminal analysis, only the University of California – San Diego had comparable

rankings among greater Tucson competitor markets. The ranking is included because the Milken Institute intends to continue this analysis in the years to come, and it is instructive for both TREC and The University of Arizona in terms of moving forward in the biosciences arena (Table 11).

**Table 11: Innovation Pipeline: Commercialization Data Rankings**

	Tucson, AZ Univ. of Arizona	Phoenix, AZ Arizona State Univ.	Austin, TX Univ. of Texas-Austin	Orlando, FL Univ. of Central Florida	San Diego, CA Univ. of Calif. – San Diego (UCSD) OR University of California System (UCS)*
<b>Innovation Pipeline Rankings – Top 10</b>	<b>Rank/Data</b>	<b>Rank/Data</b>	<b>Rank/Data</b>	<b>Rank/Data</b>	<b>Rank/Data</b>
<i>Research Expenditure Total, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) / \$2,488 million
<i>Invention Disclosures, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) / 927 #8 (UCSD) / 260
<i>Invention Disclosures Per Million Research Expenditures, 2000-2004</i>	Not Ranked	#8 / 0.94 ratio	Not Ranked	Not Ranked	Not Ranked
<i>Patents Filed, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) / 709 #10 (UCSD) / 172
<i>Patents Filed Per Million Research Expenditures, 2000-2004</i>	Not Ranked	#4 / 1.37 ratio	Not Ranked	Not Ranked	Not Ranked
<i>Patents Filed Per Invention Disclosure, 2000-2004</i>	Not Ranked	#3 / 1.46 ratio	Not Ranked	Not Ranked	Not Ranked
<i>Patents Issued, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) / 278
<i>Patents Issued Per Million Research Expenditures, 2000-2004</i>	Not Ranked	#8 / 0.18 ratio	Not Ranked	Not Ranked	Not Ranked
<i>Licenses Executed, 2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#2 (UCS) / 273
<i>Licensing Income, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) / \$107.8 million
<i>Startups, 2000-2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#2 (UCS) / 20
<i>Startups Per Million Research Expenditures, 2000-2004</i>	Not Ranked	#10 / 0.037 ratio	Not Ranked	Not Ranked	Not Ranked
<i>Research Expenditure Total, 2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#1 (UCS) \$2,708
<i>Patents Filed, 2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#3 (UCS) / 515 #10 (UCSD) / 193
<i>Patents Issued, 2004</i>	Not Ranked	Not Ranked	Not Ranked	Not Ranked	#2 / 270
<i>Patents Issued Per Patents Filed, 2004</i>	Not Ranked	Not Ranked	Not Ranked	#7 / 11.82 ratio	Not Ranked

Sources: AUTMI/ASTP, *Mind to Market: A Global Analysis of University Biotechnology Transfer and Commercialization*, Milken Institute, September 2006.

\* The University of California System (UCS) was the only institution ranked among the five region comparison herein on Milken Institute's University Technology Transfer and Commercialization Index; UCS ranked 2 of 25; its overall score is 96.59.



In yet another significant ranking of venture capital, PricewaterhouseCoopers' annual Money Tree Report provides an instructive assessment of how Greater Tucson stands vis-à-vis other well-known knowledge economy markets. The point to be gained through this assessment is that only a few metropolitan areas are ranked as distinctive markets for much of this analysis. Instead, individual states and in most cases, multi-state markets are

ranked. This configuration is due to the fact that many states in the U.S. simply do not capture sufficient venture capital to warrant an individual ranking. The notable exceptions are many markets in California, including LA/Orange County, Sacramento/N. California. San Diego stands above the others in terms of distinctive single markets capturing substantial venture capital (Table 12).

**Table 12: PricewaterhouseCoopers  
MoneyTree Report**

Investments by Region / Q2 2006		Total \$ Invested	Average \$ Per Deal	Deals
Regions Defined				
ALL		\$6,720,394,900	\$7,534,075	892
Region:	Amount:		% of Total	Deals
Silicon Valley	\$2368M		35.24%	300
New England	\$738M		10.99%	109
NY Metro	\$550M		8.18%	61
LA/Orange County	\$515M		7.66%	55
DC/Metropolis	\$462M		6.87%	55
Northwest	\$351M		5.22%	50
Texas	\$346M		5.14%	48
Southeast	\$294M		4.38%	54
Midwest	\$294M		4.37%	35
Philadelphia Metro	\$274M		4.08%	34
San Diego	\$211M		3.14%	25
Colorado	\$89M		1.32%	22
Southwest	\$87M		1.30%	14
North Central	\$69M		1.03%	12
South Central	\$39M		0.58%	4
Upstate NY	\$22M		0.32%	9
Sacramento/N. Cal	\$7M		0.11%	2
Unknown	\$3M		0.05%	1
AK/HI/PR	\$2M		0.03%	2
Sources: PricewaterhouseCoopers/National MoneyTree Report, 2006.		Venture Capital	Association/Thomson	Financial

Moving to a regional market basis of comparative analysis, there are highly credible, independent national ranking sources that evaluate communities for their abilities and climates for business start-ups and entrepreneurial activity. The National Policy Research Council, a Washington, D.C. based independent think

tank, evaluates U.S. regions and cities on a variety of business climate factors. In its 2005 *Entrepreneurial Hot Sites*, greater Tucson was not included in the analysis. Table 13 depicts how the region's other primary competitors fared.

**Table 13: Best Places for Starting and Growing a Business 2006**

	Notable Start-Up Rank	Rapid Grower Rank	Overall Entrepreneurial Activity Rank	Total Number of Companies	Total Notable Start- Ups	Percent Notable Start- Ups	Notable Start-Up Sub- Index Score	Total Rapid Growers	Percent Rapid Growers	Rapid Growth Sub- Index Score	Overall Entrepreneurial Activity Score
Tucson, AZ	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked	Not Ranked
Phoenix, AZ	1	2	1	190,953	12,388	6.49	99.65	3,824	2	99.29	100
Austin, TX	6	5	5	90,405	5,469	6.05	84.1	1,690	1.87	83.24	84.96
Orlando, FL	37	41	41	167,045	7,596	4.55	30.04	2,339	1.4	26.69	33.4
San Diego, CA	22	15	20	188,929	9,824	5.2	59.92	3,231	1.71	64.05	55.8
Source: Entrepreneurial Hot Sites, National Policy Research Council, 2005.											

In addition to the more academic/scholarly type rankings, there are other widely-known rankings published each year. One of the most popular is Inc. Magazine's annual ranking of best cities for doing business. For its 2006 rankings, the key criterion utilized

was the number of entrepreneurs/small business owners. Yuma, Arizona received the top spot as "Overall Best City." Table 14 provides rankings for greater Tucson and the strategic competitor markets.

Table 14: Inc. Magazine's BoomTowns: Best Cities for Doing Business – Entrepreneurs/Small Business Owners Rankings by Region 2006						
REGION:	Tucson, AZ	Phoenix, AZ	Austin, TX	Orlando, FL	San Diego, CA	
Indicators:	Rank	Rank	Rank	Rank	Rank	
Overall Best Cities*	60	36	173	28	133	
Best Large Cities	N/A	6	26	3	20	
Best Midsize Cities	13	N/A	N/A	N/A	N/A	
Source:	* Yuma, Arizona was ranked #1 "Overall Best City"; Inc. Magazine – BoomTowns, May 2006.					

## V. Observations for TREO

For more than a generation, many economic development organizations have largely operated on auto-pilot, relentlessly pursuing the goal of growing and adding more jobs — whenever, wherever, whatever. In many cases, the unemployment rate was not a worry if some parts of the region were booming (leading to high housing prices and transportation congestion). It was of no concern if the companies receiving incentives provided low-paying, poor-quality jobs and were likely to leave for even greener pastures in a decade. The goal was simple: the more jobs, the better. But in many regions, an approach focused almost exclusively on getting more jobs did little to help residents earn higher incomes and enjoy a better quality of life.

In the global economy, the central focus of economic development is shifting from adding new jobs to boosting incomes and creating better jobs for all. Increasingly, economic development organizations are replacing or supplementing the standard metric of success, job creation, with a new one, income growth. Shifting the goal from getting big to getting prosperous requires shifting the focus from being low-cost to a focus of higher quality.

The World Economic Forum's 2006 Global Competitiveness Index drives this point home. In its 2006-2007 Global Competitiveness Ranking released on September 26, the U.S. slipped from the top spot to number six in the list of competitive nations. Switzerland, Finland, Sweden, Denmark and Singapore ranked in the top five,



respectively, because of their good institutions, competitive macroeconomic management, world class educational attainment and emphasis on technology and innovation.

The lesson to be gleaned from this report is as follows: competitive economies require judicious governance, cooperation and collaboration between businesses, government and education at all levels and advanced technology and talent. No longer can the U.S. or any of its economic regions take for granted that their technological and human capital is superior and will outperform other nations and economies regardless of planning or forward thinking.

For TREO, the opportunities and challenges that lie ahead are both exciting and daunting. Exciting in the sense that the many assets and attributes that both the greater Tucson marketplace and TREO offer to the people and businesses that are intended to improve residents' livelihoods. Daunting from the standpoint that global competition is intensifying with the passage of each day; success will require swift and purposeful action.

Moving forward, the following observations are offered:

1. Greater Tucson needs to benchmark its excellence against the foremost strategic and successful competitor markets, and not against Phoenix.
2. Austin, Orlando and San Diego provide an outstanding basis for comparison as greater Tucson and TREO move forward with the development of its new blueprint for growth.
3. As an organization, TREO's private sector commitments in terms of leadership and financial

- investments need to be significantly strengthened to be on par with the three competitor organizations.
4. Significant additional dollars are needed for a best-of-class external marketing and sales program.
5. TREO's genuine "one-stop" structure is perhaps the best-of-the-best in terms of economic development organizations in the strategic competitor markets.
6. The University of Arizona needs to align its economic development initiatives with those of TREO; it is clear that the university-EDC relationship is not as strong in greater Tucson as in other markets.
7. TREO and greater Tucson will benefit enormously if direct links were made between job opportunities in the region and the armed forces personnel leaving/completing tours of duty at Davis Monthan Air Force Base and Fort Huachuca.
8. The development of a companion "sustainable community" initiative, in addition to TREO's economic development agenda, may galvanize more public and private leadership as well as increased financial investments.
9. TREO may consider best practice missions to both San Diego and Orlando, similar to the one that TREO led to Austin. The University of Arizona needs to be an integral part of the learning curve in these missions. Visits to the universities in these markets may be highly instructive.
10. There are many unparalleled opportunities for greater Tucson in terms of capitalizing on its proximity to the Phoenix and to Mexico. Ideas regarding these two opportunities are reflected in a separate discussion paper and the blueprint strategies.

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### Notes:

In Table 8, depicting the U.S. World and News Report 2007 rankings of scientific programs for the universities of the four markets, a specific methodology was utilized, described as follows:

**\*Sciences Methodology** rankings of doctoral programs in the sciences are based on the results of surveys sent to academics in each discipline during the fall of 2005. The questionnaires asked individuals to rate the quality of the program at each institution on a 5-point scale: outstanding (5); strong (4); good (3); adequate (2); or marginal (1). Individuals who were unfamiliar with a particular school's programs were asked to select "don't know." Scores for each institution were totaled and divided by the number of respondents who rated that school.

Surveys in the biological sciences, chemistry, computer science, the earth sciences, mathematics, and physics were conducted by Synovate. The universe of schools surveyed consisted of schools that awarded at least five doctoral degrees according to the National Science Foundation report "Science and Engineering Doctorate Awards" for the years from 1999 through 2004. In the biological sciences, graduate programs may be offered in a university's medical school as well as its college of arts and sciences. In those cases, the medical school's program was considered separately.

Questionnaires were sent to the department heads and directors of graduate studies at each program in each discipline. Response rates were as follows: for the biological sciences, 21 percent of those surveyed responded; for chemistry, 30 percent; for computer science, 52 percent; for the earth sciences, 40 percent; for mathematics, 40 percent; and for physics, 39 percent.

Specialty rankings are based on nominations by department heads and directors of graduate studies at peer schools from the list of schools surveyed. These respondents ranked up to 10 programs in each area.

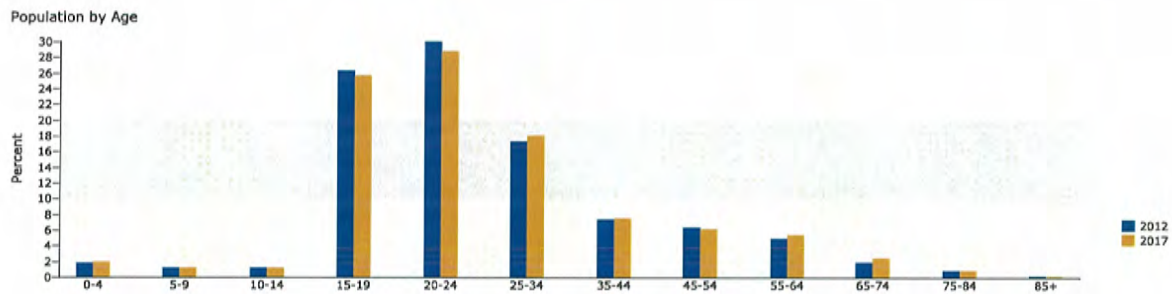
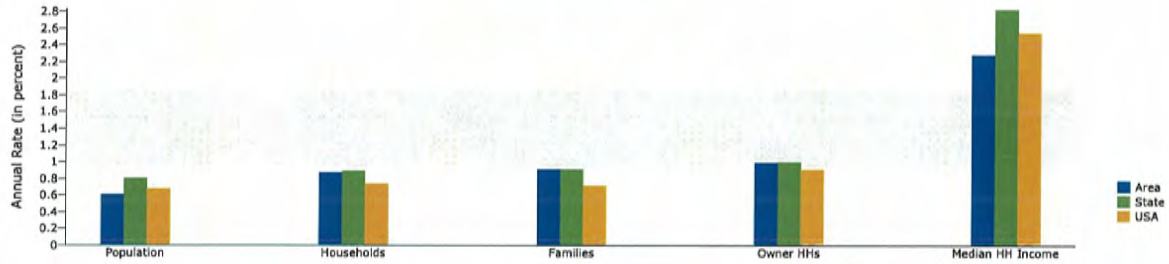
## Demographic and Income Profile

### 0.4-Mile Radius

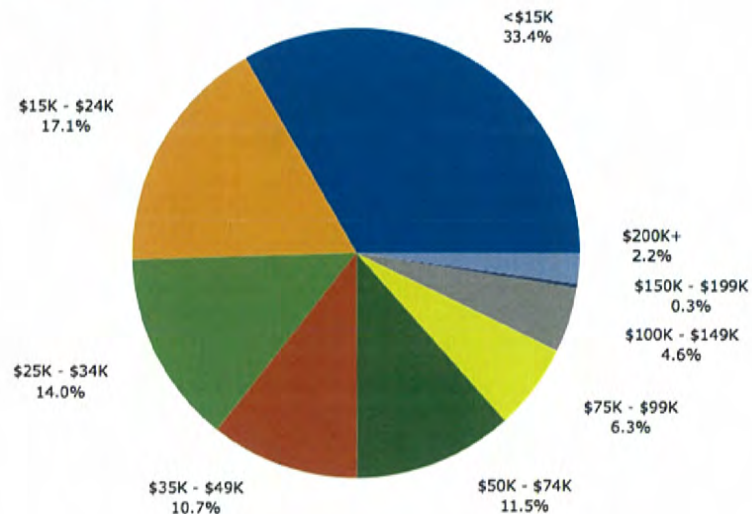
Summary	Census 2010	2012	2017				
Population	3,930	4,039	4,164				
Households	1,392	1,424	1,488				
Families	280	281	294				
Average Household Size	1.86	1.86	1.87				
Owner Occupied Housing Units	285	257	270				
Renter Occupied Housing Units	1,107	1,167	1,218				
Median Age	23.2	23.2	23.4				
Trends: 2012 - 2017 Annual Rate	Area	State	National				
Population	0.61%	0.81%	0.68%				
Households	0.88%	0.89%	0.74%				
Families	0.91%	0.91%	0.72%				
Owner HHs	0.99%	1.00%	0.91%				
Median Household Income	2.29%	2.83%	2.55%				
Households by Income	2012		2017				
	Number	Percent	Number	Percent			
	<\$15,000	475	33.4%	487	32.7%		
	\$15,000 - \$24,999	244	17.1%	208	14.0%		
	\$25,000 - \$34,999	199	14.0%	160	10.8%		
	\$35,000 - \$49,999	152	10.7%	133	8.9%		
	\$50,000 - \$74,999	164	11.5%	227	15.3%		
	\$75,000 - \$99,999	89	6.3%	138	9.3%		
	\$100,000 - \$149,999	66	4.6%	88	5.9%		
	\$150,000 - \$199,999	4	0.3%	9	0.6%		
	\$200,000+	31	2.2%	39	2.6%		
	Median Household Income	\$24,579		\$27,526			
Average Household Income	\$38,754		\$45,989				
Per Capita Income	\$26,251		\$29,260				
Population by Age	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	0 - 4	76	1.9%	78	1.9%	82	2.0%
	5 - 9	49	1.2%	49	1.2%	50	1.2%
	10 - 14	47	1.2%	47	1.2%	50	1.2%
	15 - 19	1,043	26.5%	1,067	26.4%	1,075	25.8%
	20 - 24	1,170	29.8%	1,215	30.1%	1,204	28.9%
	25 - 34	681	17.3%	702	17.4%	753	18.1%
	35 - 44	299	7.6%	297	7.4%	311	7.5%
	45 - 54	258	6.6%	258	6.4%	258	6.2%
	55 - 64	190	4.8%	202	5.0%	227	5.5%
	65 - 74	73	1.9%	80	2.0%	103	2.5%
	75 - 84	35	0.9%	35	0.9%	39	0.9%
85+	10	0.3%	10	0.2%	10	0.2%	
Race and Ethnicity	Census 2010		2012		2017		
	Number	Percent	Number	Percent	Number	Percent	
	White Alone	3,165	80.5%	3,205	79.4%	3,247	78.0%
	Black Alone	111	2.8%	119	2.9%	134	3.2%
	American Indian Alone	70	1.8%	94	2.3%	87	2.1%
	Asian Alone	234	6.0%	244	6.0%	267	6.4%
	Pacific Islander Alone	6	0.2%	7	0.2%	8	0.2%
	Some Other Race Alone	178	4.5%	191	4.7%	216	5.2%
	Two or More Races	167	4.2%	179	4.4%	204	4.9%
	Hispanic Origin (Any Race)	646	16.4%	695	17.2%	800	19.2%

## Demographic and Income Profile

0.4-Mile Radius



## 2012 Household Income





## Demographic and Income Profile

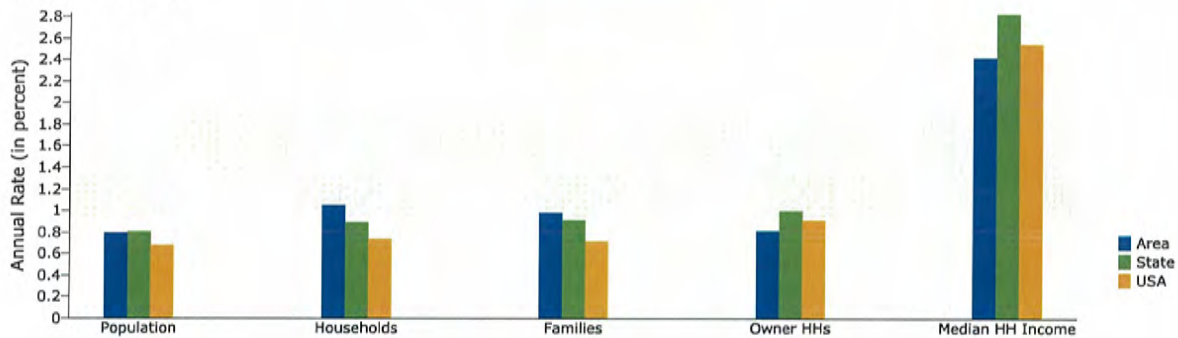
### 1-Mile Radius

Summary		Census 2010	2012	2017	
Population		12,908	13,298	13,839	
Households		5,751	5,927	6,246	
Families		1,662	1,673	1,757	
Average Household Size		1.82	1.82	1.81	
Owner Occupied Housing Units		1,384	1,274	1,327	
Renter Occupied Housing Units		4,367	4,654	4,920	
Median Age		26.2	26.3	27.0	
Trends: 2012 - 2017 Annual Rate		Area	State	National	
Population		0.80%	0.81%	0.68%	
Households		1.05%	0.89%	0.74%	
Families		0.98%	0.91%	0.72%	
Owner HHs		0.82%	1.00%	0.91%	
Median Household Income		2.42%	2.83%	2.55%	
		2012		2017	
Households by Income		Number	Percent	Number	Percent
<\$15,000		2,079	35.1%	2,172	34.8%
\$15,000 - \$24,999		1,030	17.4%	870	13.9%
\$25,000 - \$34,999		815	13.8%	659	10.6%
\$35,000 - \$49,999		684	11.5%	642	10.3%
\$50,000 - \$74,999		610	10.3%	872	14.0%
\$75,000 - \$99,999		314	5.3%	486	7.8%
\$100,000 - \$149,999		231	3.9%	316	5.1%
\$150,000 - \$199,999		87	1.5%	128	2.0%
\$200,000+		78	1.3%	101	1.6%
Median Household Income		\$23,026		\$25,953	
Average Household Income		\$36,744		\$43,134	
Per Capita Income		\$22,359		\$25,317	
		Census 2010		2012	
Population by Age		Number	Percent	Number	Percent
0 - 4		439	3.4%	447	3.4%
5 - 9		398	3.1%	406	3.1%
10 - 14		334	2.6%	335	2.5%
15 - 19		2,232	17.3%	2,259	17.0%
20 - 24		2,714	21.0%	2,820	21.2%
25 - 34		2,366	18.3%	2,468	18.6%
35 - 44		1,326	10.3%	1,327	10.0%
45 - 54		1,175	9.1%	1,178	8.9%
55 - 64		1,002	7.8%	1,068	8.0%
65 - 74		527	4.1%	578	4.3%
75 - 84		291	2.3%	299	2.2%
85+		104	0.8%	113	0.8%

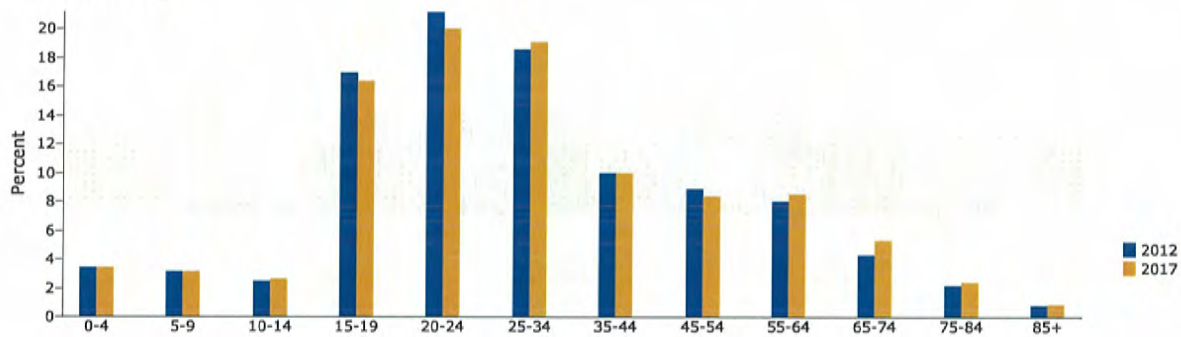
## Demographic and Income Profile

### 1-Mile Radius

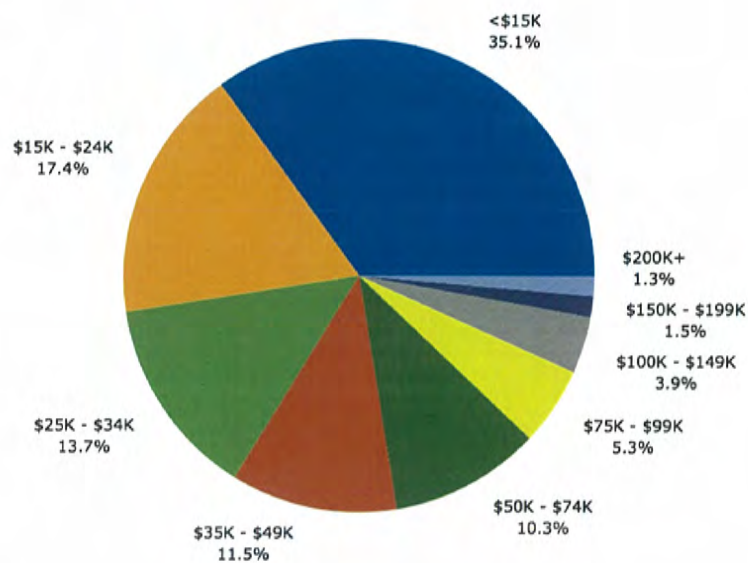
Trends 2012-2017



Population by Age



2012 Household Income



## Demographic and Income Profile

### 3-Mile Radius

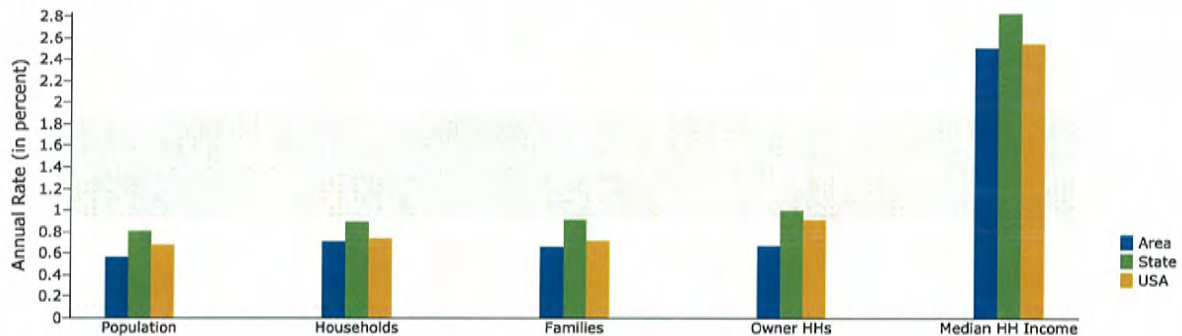
Summary	Census 2010		2012		2017	
Population	107,490		109,359		112,432	
Households	40,809		41,514		43,012	
Families	19,008		19,038		19,671	
Average Household Size	2.36		2.36		2.35	
Owner Occupied Housing Units	15,677		14,655		15,151	
Renter Occupied Housing Units	25,132		26,859		27,861	
Median Age	28.2		28.4		29.0	
Trends: 2012 - 2017 Annual Rate	Area		State		National	
Population	0.56%		0.81%		0.68%	
Households	0.71%		0.89%		0.74%	
Families	0.66%		0.91%		0.72%	
Owner HHs	0.67%		1.00%		0.91%	
Median Household Income	2.51%		2.83%		2.55%	
			2012		2017	
Households by Income			Number	Percent	Number	Percent
<\$15,000			12,307	29.6%	12,746	29.6%
\$15,000 - \$24,999			7,572	18.2%	6,271	14.6%
\$25,000 - \$34,999			5,876	14.2%	4,722	11.0%
\$35,000 - \$49,999			5,594	13.5%	5,324	12.4%
\$50,000 - \$74,999			5,020	12.1%	7,024	16.3%
\$75,000 - \$99,999			2,201	5.3%	3,189	7.4%
\$100,000 - \$149,999			1,799	4.3%	2,290	5.3%
\$150,000 - \$199,999			700	1.7%	920	2.1%
\$200,000+			439	1.1%	521	1.2%
Median Household Income			\$26,120		\$29,572	
Average Household Income			\$38,920		\$44,352	
Per Capita Income			\$18,417		\$20,638	
			2012		2017	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	6,339	5.9%	6,378	5.8%	6,560	5.8%
5 - 9	5,827	5.4%	5,848	5.3%	5,994	5.3%
10 - 14	5,390	5.0%	5,354	4.9%	5,554	4.9%
15 - 19	12,438	11.6%	12,370	11.3%	12,314	11.0%
20 - 24	17,690	16.5%	18,260	16.7%	17,662	15.7%
25 - 34	16,549	15.4%	16,985	15.5%	17,718	15.8%
35 - 44	11,851	11.0%	11,704	10.7%	11,878	10.6%
45 - 54	11,665	10.9%	11,531	10.5%	11,129	9.9%
55 - 64	9,892	9.2%	10,472	9.6%	11,334	10.1%
65 - 74	5,359	5.0%	5,837	5.3%	7,274	6.5%
75 - 84	3,117	2.9%	3,155	2.9%	3,430	3.1%
85+	1,373	1.3%	1,464	1.3%	1,585	1.4%



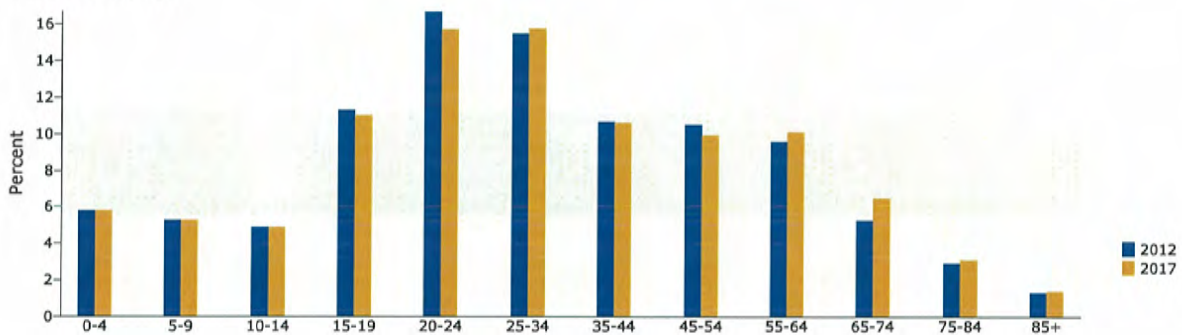
## Demographic and Income Profile

### 3-Mile Radius

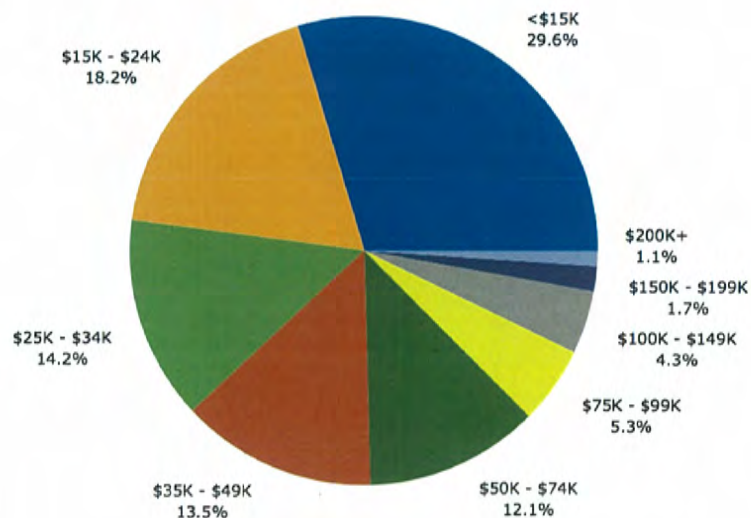
Trends 2012-2017



Population by Age



2012 Household Income





# DOWNTOWN TUCSON

## Demographic Detail Report

Center: Stone and Congress

Radius	1 Mile	2 Miles	3 Miles
<b>Population</b>			
2015 Projection	12,337	54,596	111,095
2010 Census	11,955	53,248	108,150
2000 Census	11,137	50,566	102,334
2010 - 2015 Growth	3.20%	2.53%	2.72%
2000-2010 Growth	7.34%	5.30%	5.68%
<b>2010 Population by Age</b>			
Age 0 - 4	11,956	53,250	108,147
Age 5 - 9	5.0%	5.5%	6.6%
Age 10 - 14	4.3%	4.9%	5.9%
Age 15 - 19	3.6%	4.4%	5.3%
Age 20 - 24	6.2%	15.6%	11.2%
Age 25 - 34	17.5%	17.5%	13.8%
Age 35 - 44	21.8%	16.1%	16.8%
Age 45 - 54	12.6%	10.6%	11.5%
Age 55 - 64	11.9%	9.8%	11.0%
Age 65 - 74	8.2%	7.3%	8.6%
Age 75 - 84	4.5%	4.3%	4.7%
Age 85+	2.8%	2.7%	3.1%
Age 18+	1.5%	1.4%	1.5%
Age 18+	84.4%	82.2%	78.8%
<b>Median Age</b>			
	30.1	26.1	28.9
<b>2010 Population by Race/Ethnicity</b>			
White Alone	11,955	53,247	108,151
Black Alone	62.7%	56.6%	56.6%
American Indian Alone	4.5%	5.5%	5.3%
Asian or Pacific Islander Alone	3.7%	4.1%	3.6%
Some Other Race Alone	4.5%	5.1%	4.0%
Two or More Races	19.1%	24.3%	26.1%
Hispanic Origin	5.4%	4.4%	4.4%
	45.6%	49.4%	51.0%
<b>Population 16+ by Employment Status</b>			
In Labor Force	9,639	42,291	82,471
Civilian Employed	66.1%	56.4%	58.7%
Civilian Unemployed	61.3%	50.9%	53.6%
In Armed Forces	4.6%	5.4%	4.9%
Not in Labor Force	0.1%	0.2%	0.2%
	33.9%	43.6%	41.3%
<b>2010 Population 16+ by Occupation</b>			
White Collar	5,761	20,572	42,429
Services	60.1%	58.4%	58.0%
Blue Collar	24.7%	26.2%	25.3%
	15.2%	15.4%	16.7%
<b>2010 Population 15+ by Marital Status</b>			
Never Married	10,404	45,346	88,900
Married	56.9%	57.6%	50.6%
Widowed	24.8%	26.5%	31.3%
Divorced	4.3%	5.0%	5.5%
	13.9%	11.0%	12.7%
<b>2010 Population 25+ by Education</b>			
Less than 9th Grade	7,568	27,722	61,859
9th - 12th Grade, No Diploma	8.0%	13.5%	11.8%
High School Graduate	8.5%	12.2%	11.4%
Some College, No Degree	20.0%	22.1%	22.3%
Associate Degree	19.3%	18.9%	19.8%
Bachelor's Degree	5.0%	5.7%	6.2%
Graduate/Professional Degree	22.8%	15.4%	15.6%
	16.5%	12.3%	12.8%



# DOWNTOWN TUCSON

## Demographic Detail Report

<b>2010 Employed Population 16+ by Industry</b>	<b>5,761</b>	<b>20,571</b>	<b>42,429</b>
Agriculture/Mining	0.3%	0.7%	0.6%
Construction	7.4%	6.7%	7.5%
Manufacturing	3.2%	4.0%	4.4%
Wholesale Trade	0.9%	1.4%	1.6%
Retail Trade	9.6%	10.0%	10.2%
Transportation/Utilities	2.7%	2.7%	2.9%
Information	3.2%	2.3%	2.4%
Finance/Insurance/Real Estate	2.6%	3.3%	3.8%
Services	66.3%	65.1%	61.8%
Public Administration	3.8%	3.9%	4.8%
<b>2000 Workers 16+ by Travel Time to Work</b>	<b>5,773</b>	<b>20,898</b>	<b>43,225</b>
Less than 5 minutes	3.8%	3.9%	3.6%
5 to 9 minutes	17.5%	16.2%	14.1%
10 to 19 minutes	40.8%	41.6%	40.0%
20 to 24 minutes	12.8%	13.6%	14.6%
25 to 34 minutes	12.6%	12.8%	15.7%
35 to 44 minutes	3.8%	2.1%	2.0%
45 to 59 minutes	1.3%	2.3%	2.7%
60 to 89 minutes	2.8%	2.2%	2.2%
90 or more minutes	0.7%	1.4%	1.6%
Worked at Home	3.9%	3.8%	3.5%
<b>Households</b>			
2015 Households	6,211	19,490	42,019
2010 Households	6,015	18,948	40,804
2000 Households	5,631	17,970	38,680
Growth 2010 - 2015	3.26%	2.86%	2.98%
Growth 2000 - 2010	6.82%	5.44%	5.49%
<b>2000 Households by Size</b>	<b>5,631</b>	<b>17,970</b>	<b>38,680</b>
1 Person Household	49.2%	39.6%	36.3%
2 Person Household	29.5%	29.4%	29.5%
3 Person Household	10.5%	12.8%	13.9%
4 Person Household	5.7%	8.8%	10.1%
5 Person Household	2.8%	4.9%	5.4%
6 Person Household	1.2%	2.4%	2.6%
7+ Person Household	1.1%	2.2%	2.2%
<b>2010 Average Household Size</b>	<b>1.89</b>	<b>2.33</b>	<b>2.40</b>
<b>2000 Households by Type</b>	<b>5,631</b>	<b>17,970</b>	<b>38,680</b>
Family Households	32.2%	42.4%	49.0%
Married-couple Family	17.3%	24.1%	29.5%
With Related Children	7.9%	12.4%	15.1%
Other Family (No Spouse)	14.9%	18.3%	19.5%
With Related Children	9.1%	11.5%	12.7%
Nonfamily Households	67.8%	57.6%	51.0%
Householder Living Alone	49.2%	39.6%	36.3%
Householder Not Living Alone	18.6%	18.0%	14.7%
Households with Related Children	17.0%	23.9%	27.8%
Households with Persons 65+	14.3%	17.3%	18.4%
<b>2010 Households by Income</b>	<b>6,017</b>	<b>18,947</b>	<b>40,805</b>
< \$15,000	31.6%	31.0%	24.9%
\$15,000 - \$24,999	15.9%	15.3%	14.5%
\$25,000 - \$34,999	14.2%	13.8%	14.3%
\$35,000 - \$49,999	15.8%	14.5%	16.1%
\$50,000 - \$74,999	12.3%	14.5%	16.2%
\$75,000 - \$99,999	6.0%	5.7%	7.4%
\$100,000 - \$149,999	2.9%	3.2%	4.0%
\$150,000 - \$199,999	0.3%	1.1%	1.5%
\$200,000 +	0.8%	0.9%	1.1%





# DOWNTOWN TUCSON

## Demographic Detail Report

<b>Average Household Income</b>	<b>\$35,393</b>	<b>\$37,679</b>	<b>\$43,053</b>
<b>Median Household Income</b>	<b>\$26,380</b>	<b>\$27,130</b>	<b>\$31,949</b>
<b>Per Capita Income</b>	<b>\$18,322</b>	<b>\$16,352</b>	<b>\$17,821</b>
<b>2010 Housing Units</b>	<b>6,873</b>	<b>21,383</b>	<b>45,736</b>
Owner Occupied Housing Units	19.5%	26.6%	35.0%
Renter Occupied Housing Units	68.0%	62.0%	54.3%
Vacant Housing Units	12.5%	11.4%	10.8%
<b>2000 Owner Occupied Housing Units by Value</b>	<b>1,321</b>	<b>5,729</b>	<b>16,052</b>
< \$50,000	11.0%	18.7%	18.7%
\$50,000 - \$99,999	41.3%	52.3%	47.4%
\$100,000 - \$149,999	25.0%	17.1%	20.4%
\$150,000 - \$199,999	13.6%	6.2%	6.9%
\$200,000 - \$299,999	7.6%	3.8%	4.0%
\$300,000 - \$499,999	0.3%	0.6%	1.6%
\$500,000 - \$999,999	1.2%	1.1%	0.8%
\$1,000,000+	0.0%	0.2%	0.3%
<b>Median Home Value</b>	<b>\$124,567</b>	<b>\$98,845</b>	<b>\$101,316</b>
<b>2000 Housing Units by Units in Structure</b>	<b>6,193</b>	<b>19,560</b>	<b>42,193</b>
1, Detached	34.5%	44.5%	49.5%
1, Attached	6.6%	7.4%	7.2%
2	10.8%	8.9%	7.2%
3 or 4	8.9%	6.6%	5.6%
5 to 9	5.2%	4.6%	4.8%
10 to 19	6.7%	5.0%	4.9%
20+	26.3%	20.6%	15.9%
Mobile Home	1.0%	2.4%	4.5%
Other	0.0%	0.1%	0.5%
<b>2000 Housing Units by Year Structure Built</b>	<b>6,231</b>	<b>19,580</b>	<b>42,159</b>
1999 to March 2000	0.7%	0.8%	0.9%
1995 to 1998	2.4%	3.0%	3.5%
1990 to 1994	5.2%	3.9%	4.0%
1980 to 1989	8.7%	10.1%	13.0%
1970 to 1979	12.9%	15.9%	16.8%
1969 or Earlier	70.1%	66.2%	61.8%
<b>Median Year Structure Built</b>	<b>1950</b>	<b>1959</b>	<b>1962</b>



# DOWNTOWN TUCSON

## Daytime Employment Report

Center: Stone and Congress

1 Mile Radius

Business Employment by Type	# of Businesses	# of Employees	#Emp/Business
<b>Total Businesses</b>	<b>1,960</b>	<b>27,034</b>	<b>14</b>
<b>Retail Trade</b>	<b>308</b>	<b>2,625</b>	<b>9</b>
Home Improvement	15	71	5
General Merchandise Stores	6	15	3
Food Stores	23	152	7
Auto Dealers, Gas Stations	22	110	5
Apparel & Accessory Stores	18	76	4
Furniture & Home Furnishings	34	135	4
Eating & Drinking Places	111	1,731	16
Miscellaneous Retail	79	335	4
<b>Finance, Insurance, Real Estate</b>	<b>110</b>	<b>858</b>	<b>8</b>
Banks, Savings & Lending Inst.	20	318	16
Securities Brokers	5	7	1
Insurance Carriers & Agents	17	92	5
Real Estate, Trust & Holding	68	441	6
<b>Services</b>	<b>814</b>	<b>8,429</b>	<b>10</b>
Hotels & Lodging	21	568	27
Automotive Services	46	186	4
Motion Pictures & Amusements	45	129	3
Health Services	35	1,038	30
Legal Services	188	926	5
Education Institutions & Libraries	48	1,814	38
Other Services	431	3,768	9
<b>Agriculture &amp; Mining</b>	<b>16</b>	<b>116</b>	<b>7</b>
<b>Construction</b>	<b>81</b>	<b>801</b>	<b>10</b>
<b>Manufacturing</b>	<b>45</b>	<b>445</b>	<b>10</b>
<b>Transportation</b>	<b>22</b>	<b>86</b>	<b>4</b>
<b>Communication</b>	<b>17</b>	<b>68</b>	<b>4</b>
<b>Utility</b>	<b>7</b>	<b>508</b>	<b>73</b>
<b>Wholesale Trade</b>	<b>68</b>	<b>526</b>	<b>8</b>
<b>Government</b>	<b>423</b>	<b>12,507</b>	<b>30</b>
<b>Other</b>	<b>51</b>	<b>67</b>	<b>1</b>
<b>Daytime Population:</b>	<b>27,034</b>		
<b>Daytime Population/Business</b>	<b>26</b>		
<b>Residential Population:</b>	<b>11,844</b>		
<b>Residential Population/Business</b>	<b>6</b>		

Source: Esri. Compiled by Downtown Tucson Partnership, September 2012

Business & Economic Development | 520-837-6508 | [downtowntucson.org/invest](http://downtowntucson.org/invest)



**Economics Research Associates**

**DOWNTOWN TUCSON HOUSING  
OPPORTUNITY STUDY**

Prepared for  
**City of Tucson**

Submitted by  
**Economics Research Associates  
Kaneen Advertising & Public Relations, Inc.**

**December 9, 2005**

**ERA Project No. 16037**



## GENERAL LIMITING CONDITIONS

This study is based on estimates, general knowledge of the industry and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives or any other data source used in preparing or presenting this study. Research was conducted from June 2005 through August 2005, and Economics Research Associates has not undertaken any update of its research effort since such date. No warranty or representation is made by Economics Research Associates that any of the projected values or results contained in this study will actually be achieved. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of Economics Research Associates. This study may not be used for purposes other than that for which it is prepared. This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions, and considerations.

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## **I. Summary Findings and Recommendations**

The City of Tucson retained Economics Research Associates (ERA) to analyze market opportunities for housing development in downtown Tucson, and preliminary steps the City should consider taking to foster its development. Kaneen Advertising and Public Relations assisted ERA in organizing focus group interviews for this assignment.

Tucson's investment of hundreds of millions of dollars over several years in infrastructure, cultural, public facility, and urban design improvements to the downtown area, through its Rio Nuevo initiative, is leveraging significant private investment. According to Rio Nuevo, residential project totaling \$250 million in investment have recently been developed, are under construction, or are planned and in design, and the number of projects is growing. The experience of other cities that have revived downtown housing markets is that major public investment begets private investment, and it appears that Tucson is no exception.

Unlike some other downtowns, Tucson defines its greater downtown area broadly to include more than just the Central Business District (CBD) or urban core. Tucson's greater downtown area also includes traditional and historic neighborhoods, such as Barrio Hollywood, Barrio Anita, Dunbar Spring, West University, Pie Allen, Iron Horse, El Presidio, Armory Prk, Santa Rita Park, West Ochoa, Santa Rosa, Barrio Viejo, Kroeger Neighborhood, and Menlo Park. These distinct neighborhoods provide a variety, richness, and historical context to develop multiple types of urban housing for households with different incomes and preferences.

This report presents a summary of our findings regarding the downtown housing market's potential. This analysis addresses opportunities in Downtown Tucson as a whole. More focused analysis and research is needed for specific sub-district plans and individual projects. The following presents this report's main findings and recommendations.

### ***Downtown Housing Forecasts***

- ERA estimates that downtown Tucson may add from 4,700 to almost 7,000 new housing units from 2005 to 2020, for over 310 to almost 470 units per year on average. This rate would equal approximately 11-16 percent of the City of Tucson's average annual residential permits and a significant share of the city's multi-family permits.
- The targeted groups for urban housing may include the following:
  - Young professionals;
  - University-related staff and post-graduate students;
  - Empty-nester adults;

- Retirees;
  - Downtown and central area workers;
  - Second-home buyers;
  - Other adults without children;
  - Two wage-earner households with jobs in opposite directions from downtown that find downtown central to their commutes;
  - People newly relocating to the Tucson region;
  - Others.
- It is anticipated that the support for downtown housing should continue to rely on young adults, which are stable market segment proportionately. The University of Arizona nearly is a constant source for generating potential new demand from post-graduates, faculty, and staff who want to be near the university, but not within student communities. The middle-aged population will be important, because of their buying power and ability to finance home purchases with built-up equity, but their share of the downtown market may soften overtime as their numbers decrease proportionately. Empty nesters and retirees will become increasingly important as the “baby-boom” generation ages.
  - Downtown housing markets typically have a lower than average proportion of families, particularly among market rate homeowners, because of the lifestyle, educational, and recreational needs of children. The greater downtown Tucson, however, does include traditional barrios and historic neighborhoods with single-family homes and bungalows. While land costs and limited parcels make it more difficult to build infill single-family homes, there may be opportunities for small-lot infill projects, townhomes, and smaller multi-family housing projects within the neighborhoods that may appeal more to urban families than the higher density housing in the downtown core.
  - The recommended housing types for the downtown market that the City should consider include the following, recognizing that the City of Tucson’s definition of Downtown includes neighborhoods that are adjacent to the Central Business District:
    - Attached and small lot townhouses in selected infill sites within the surrounding neighborhoods;



- Multi-family condominiums and rental apartments, with common amenities, from 3-6 stories (wood-frame construction over a platform), built over “tuck-under” parking (half-grade above and half below grade);
  - Higher density multi-family for-sale housing with subterranean parking when warranted by sales prices and land costs, most likely in the urban core;
  - Mixed-use development where warranted to create urban commercial districts on the street level;
  - Loft development, either as adaptive re-use, new construction, and/or live-work space;
  - A limited number of high-rise towers within the CBD, particularly for retirees, empty-nesters, and professionals seeking secure buildings with views and amenities, and possibly concierge services;
  - Affordable low and moderate-income housing.
  - Apartments ranging between 700 and 1,100 SF and condominium units ranging between 900 and 1,500 SF, based on recent comparable projects
- The market has experienced rising prices due to historically low interest rates, higher quality products and appeal. With rising interest rates, prices are likely to stabilize.
  - Given the target markets and the issue of affordability in Tucson’s moderate-income economy, most product types would probably be the townhouses, condominiums with tuck-under parking, and lofts. These units appeal to multiple markets and can be designed to meet a variety of price points.
  - How parking is addressed is a key consideration, particularly regarding the cost of construction. Surface lots and garages are the least costly, but subterranean parking with multiple underground levels and ventilation systems integrate well with the urban environment, but are expensive. Above grade structured parking is less costly. Many markets have found the one-level of “tuck-under” parking (half-level below and half-level above grade) and above-grade parking structures, skinned with housing, commercial uses, landscaping and other forms of screening in selective locations are affordable solutions that allows development to meet a broader range of price points at higher densities. The City’s parking ratios and requirements will play an important role in encouraging or discouraging housing, particularly if subsidies are to be avoided.
  - Based on interviews and the focus group input (response notes are in Appendix D), downtown developments should consider the following features:

- Units in uniquely designed buildings can be smaller than average for the metro area as long as quality is maintained and the units are affordable on a monthly cost basis;
- Security is an important consideration, but security can be provided by activating the street and designing defensible spaces, and not just by providing limited or guarded access;
- Parking must be available and accessible since automobiles are necessary in Tucson, but the number of spaces provided per unit can be less than in the suburbs;
- Access to recreational amenities, such as pools, spas, weight rooms, is a plus, but not necessary within the building if these services are available at off-site facilities nearby, such as athletic clubs. Demand for these facilities on-site may vary by price point and whether the units are for-sale or rent;
- Views, such as mountain or urban views, are important and will command a premium, but there are limits to this premium given the market's generally moderate buying power;
- Access to quality schools are important to households with children;
- Access to a vibrant, pedestrian-oriented, and culturally interesting neighborhood street district is important, and perhaps one of the most distinguishing features that urban housing can provide over the typical suburban housing in the Tucson metro area.

### ***Implications for Downtown Housing***

ERA reviewed demographic and employment trends and characteristics, the regional and downtown housing market, interviewed developers and downtown stakeholders, held two focus groups of randomly selected residents, prepared case studies of how two cities organized themselves to create a downtown housing market, and prepared a preliminary simple pro-forma to estimate the residual land value of two different types of urban housing prototypes. The following presents the implications for downtown housing derived from this research and analysis, which are presented in subsequent sections of this report.

### **Demographics**

- During the 1990s, downtown Tucson was a stagnate area within the center of a relatively fast growing region. Its share of regional population declined during the decade, from

8.8 percent to 7.3 percent, which, though lower, is high compared to many downtown markets. Downtown has the opportunity to capture a share of significant regional growth. Recent population growth in downtown and surrounding neighborhoods since 2000 is encouraging.

- The downtown population is predominately white and Hispanic, though compared to the region, racially and ethnically more diverse. This diversity is an attribute for many people seeking urban living environments.
- While downtown Tucson has a disproportionately high share of young adults and teenagers, it has a disproportionately lower share of other age cohorts, including the important “empty-nester” market (people whose children have grown and left home) which is growing as the baby-boomer generation ages. During the 1990s, downtown has been losing market share across the board among all age groups. There appears to be some appeal among adults without children, particularly the young adult professional and post-graduate population, which downtown can develop further, but downtown needs to do more to penetrate the growing empty-nester market.
- The downtown Tucson adult population’s education attainment is somewhat bifurcated. Downtown has a proportionate share of residents with college and graduate degrees, below average ratios of people with high school degrees and some college experience, and a high proportion of people without high school degrees, in particular with less than a 9<sup>th</sup> grade education. This reflects the socio-economic variety of the downtown neighborhoods, with areas that appeal to educated professionals or persons affiliated with the university, and areas that have concentrations of people, workers, and perhaps immigrants with less education – a common characteristic of downtown markets, particularly if the downtown market is defined to include adjacent neighborhoods.
- Downtown Tucson has a much lower share of higher-income and middle-income households and a much higher share of lower-income households. Income in real terms is growing, but not as fast as in the region. Downtown Tucson would benefit from improving the diversity of incomes within the community to enhance support for downtown commercial development, improve the downtown jobs/housing linkages, and increase capacity for reinvestment. However, the needs of downtown Tucson’s lower income residents and neighborhoods need to be addressed as well.
- The home ownership rate in downtown Tucson is below the regional average and could be improved, although downtown should continue to have a higher than average proportion of renters.



## Employment

- The regional job growth is fueling housing demand, a portion of which downtown Tucson intends to capture. In 2000, 7.7 percent of Pima County employees worked in downtown Tucson, and 5.5 percent in the CBD. The City Planning Department estimates that in 2000, downtown had 26,900 jobs, of which almost 19,400 were in the core.
- Most of downtown's employment and growth has been in the public sector. Private sector employment in the downtown zip code area 85701 has been relatively flat, even though private sector employment has been growing regionally.
- Downtown residents are disproportionately represented in sectors that are growing, such as Services, Education, and Government, and their associated occupations.
- A concerted effort to increase downtown employment, particularly re-asserting downtown Tucson's position as a private-sector employment center in the region, would help generate demand for downtown housing.
- Given the limited size and growth of downtown Tucson's employment base, the downtown housing market cannot rely simply on proximity to downtown jobs to generate significant demand. Downtown Tucson will have to position itself as a desirable, central, alternative residential community from which people can commute to their jobs throughout the region, some of which will be within downtown. Links to the adjacent university employment district is an important opportunity.

## Population and Employment Forecasts

- Jobs are forecasted to grow regionally from 350,600 in 2000 to 652,400 in 2030, for a 2.1 percent compounded annual growth rate. The relatively strong job growth rates projected for the region will generate potential demand for downtown housing if downtown Tucson can be positioned to compete with regional alternatives.
- The City Planning Department forecasts that Downtown will increase its employment base by 17,500 from 2000 to 2030, of which 13,600 are in the downtown core.
- Pima County is forecasted to add 196,000 residents from 2000 to 2010, while the City of Tucson is projected to increase its population base by 109,000.
- City forecasts project that downtown census tracts will add almost 12,700 people from 2005 to 2030, or over 500 people per year. While the 1.01 percent annual growth rate implied is a reversal of historical trends, it is less than half of the citywide and

countywide projected growth rates and is a reasonable expectation if downtown can reposition itself.

## **Residential Market Trends**

- Based on building permit trends, citywide housing demand has averaged about 3,100 units per year since 1995, and is growing. Single-family homes comprise three-quarters of this demand and apartments twenty percent of demand, indicating that small-unit multi-family housing such as duplexes, town homes, tri-to-four-plexes, potential types of downtown housing, particularly in the downtown neighborhoods, are still a niche market of only 190 units per year. Apartments, another form of downtown housing, averaged only 619 units per year citywide since 1995. As Tucson approaches build-out, the higher density small unit product should become more popular. However, Tucson and the region still have significant capacity for single-family housing growth. Consequently, higher density housing associated with downtown housing will have to appeal to the market on its own competitive merits because of the lifestyle it offers, rather than because regional market forces demand it.
- The growing rate of home sales (new and re-sales) indicates an increasingly active housing market. The growing number of households searching to buy housing each year increases the number that might investigate downtown housing as an alternative. Over the last three years, condominium sales have comprised 14.3 percent of home sales in the Tucson metro area, though most of this has been suburban product.
- Much of this interest is a result of historically low mortgage interest rates and, to a lesser extent, buyers who finance their purchases with surplus equity from homes in other higher valued markets. If interest rates rise considerably, demand for ownership housing and/or appreciation rates may subside and demand for rental units may increase.
- While a townhouse and condominium market exists, it is relatively limited and focused on suburban communities that offer a recreational desert lifestyle to buyers. Downtown housing will compete with these products and also smaller lot single-family homes. The recent activity in downtown housing, with over 800 units, is introducing a new product and urban lifestyle to the Tucson market. The introduction of new products to a market typically carries additional risk; however, the positive market acceptance of these downtown developments offered so far bodes well. It remains to be seen if this market is a product niche that is benefiting from pent-up demand in an underserved market for this type of housing, or if it can be sustained.
- The seasonal home market in Pima County accounts for approximately three percent of total housing units, or 10,622 units, which is another potential source of demand for downtown housing. However, buyers from other urban regions in the country who are

seeking a desert, recreational lifestyle in Arizona generate much of this demand. Consequently, the second home market is expected to be a contributor but not a driver of downtown housing demand.

### ***Recommendations for Implementation***

- Based on the experience of other downtowns that have successfully created housing markets and ERA's experience, ERA suggests that the City consider the following actions:
  - Work with the downtown communities, developers, and commercial interests to formulate a strong vision for downtown housing, not just as a type of product or individual developments, but as comprehensive residential neighborhoods with services and amenities, building upon the City's *SMART Housing for Downtown Tucson* effort;
  - Plan for and invest in regionally attractive, unique downtown commercial developments or districts concurrently with housing efforts, but phase commercial initiatives in increments that the market can support;
  - Focus and cluster initial residential development efforts in a district or few districts, rather than random scattered developments, to create a critical mass of activity and a large enough neighborhood to support commercial services and create a neighborhood identity;
  - Strategically make public investments in infrastructure, amenities, parking, transportation, and land to leverage private residential investment;
  - In partnership with the region's other jurisdictions, formulate regional policies that steer future growth towards the region's core to discourage sprawl, encourage investment in urban neighborhoods, and utilize the region's infrastructure efficiently.
  - Initiate the formation of a private and public network of allied regional and local advocates for downtown housing, including the region's environmental, business, and academic communities;
  - Form a downtown task force of Council appointed urban developers, architects, organizations and communities to work with City staff to reform zoning, environmental review, and approval process to expedite development approval and attract capital, building upon the recent efforts to review City processes.



- Consider and investigate alternative organizational forms, such as an expanded role of Rio Nuevo, or a public, quasi-public, or private downtown development corporation, to act as a catalytic development organization for downtown housing. This entity could help plan and finance infrastructure and amenities for downtown housing and neighborhood services, expedite the review and approval process, secure strategic parcels for housing development, and/or joint venture in selected downtown housing and mixed-use developments on behalf of the City.

## **II. Demographic Context**

Changing demographics has fueled downtown housing in many urban markets throughout the United States. Traditionally, downtown markets have appealed disproportionately to adults without children, such as young adults, childless middle-aged adults (single and married), couples whose children have grown and left home (commonly referred to as “empty nesters”), and retirees.

Families with children also live in downtown housing, though proportionately not as much as in suburban locations, particularly in southwestern cities, because of their needs for larger spaces to accommodate larger households, concerns about child safety, demand for recreational facilities, and the tendency for suburban locations to offer better quality schools.

The expanded definition of downtown in Tucson, however, includes older single-family neighborhoods and traditional barrios that have a rich history of multi-generational communities. Linkages among the downtown neighborhoods provides Tucson the opportunity to create a downtown housing environment with sub-districts that provide different product types for people at different stages of life or with different housing preferences.

This section describes the demographic context and trends in which downtown housing development will take place. Selected data are presented in this section, with detailed tables and charts in Appendix A for reference.

### ***Population***

#### **Regional Growth**

Pima County’s population grew by 26.7 percent, from 666,000 in 1990 to 844,000 in 2000, for a healthy 2.4 percent compounded annual growth rate (CAGR). This growth, however, was significantly less than the 37.9 percent population growth registered for the State of Arizona between 1990 and 2000.

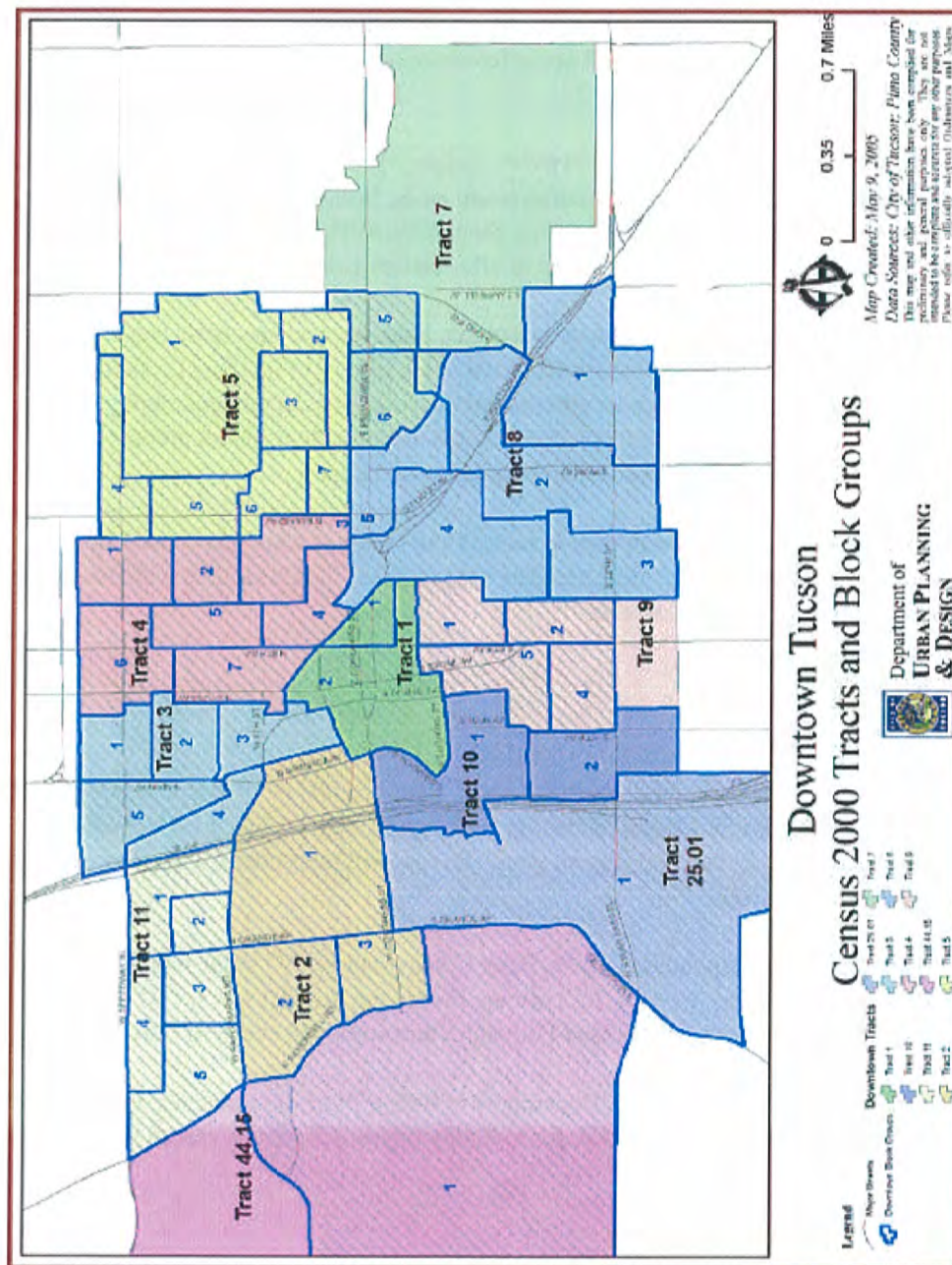
In terms of absolute population growth, Pima County ranked 27<sup>th</sup> in the nation. The Tucson Metro area (which also grew by 26.7 percent during the decade) was the 37<sup>th</sup> fastest growing metro area in the country, just behind Portland-Vancouver and ahead of Santa Fe.

According to the City of Tucson, Department of Urban Planning estimates, the countywide population grew to 955,800 by 2005, for a slightly higher 2.5 percent annual growth rate since 2000.

#### **Downtown Growth**

For the analysis, the downtown area included census tracts (CT) 1 through 5, CT 7 through CT 11, block group (BG) 1 of CT 25.01 and BG 1 of CT 44.15 (which was 44.01 in the 1990 census), as shown in Exhibit II-1.

Exhibit II-1 Downtown Tucson Census Tracts





This area includes the Central Business District (CBD) and surrounding neighborhoods such as Menlo Park, El Presidio, Pie Allen, Iron Horse, Armory Park, Santa Rita Park, and Barrio Viejo, as shown in Exhibit II-2.

The population in Downtown Tucson did not increase between 1990 and 2000, while the city increased its population more than 20 percent during the same period, from 405,000 to 487,000, for a 1.9 percent annual growth rate.

Table II-1 shows 1990 and 2000 population in downtown Tucson, City of Tucson, Pima County and the State of Arizona.

**Table II-1 1990 and 2000 Population for Downtown Tucson, City of Tucson and Pima County**

	<u>1990</u>	<u>2000</u>	<b>Numeric Change 1990-2000</b>	<b>Percent Change 1990-2000</b>	<b>Average Annual Growth Rate 1990-2000</b>
Downtown Tucson	35,558	35,591	33	0.1%	0.0%
City of Tucson	405,000	487,000	82,000	20.2%	1.9%
Pima County	666,000	844,000	178,000	26.7%	2.4%
Arizona	3,747,000	5,169,000	1,422,000	38.0%	3.3%

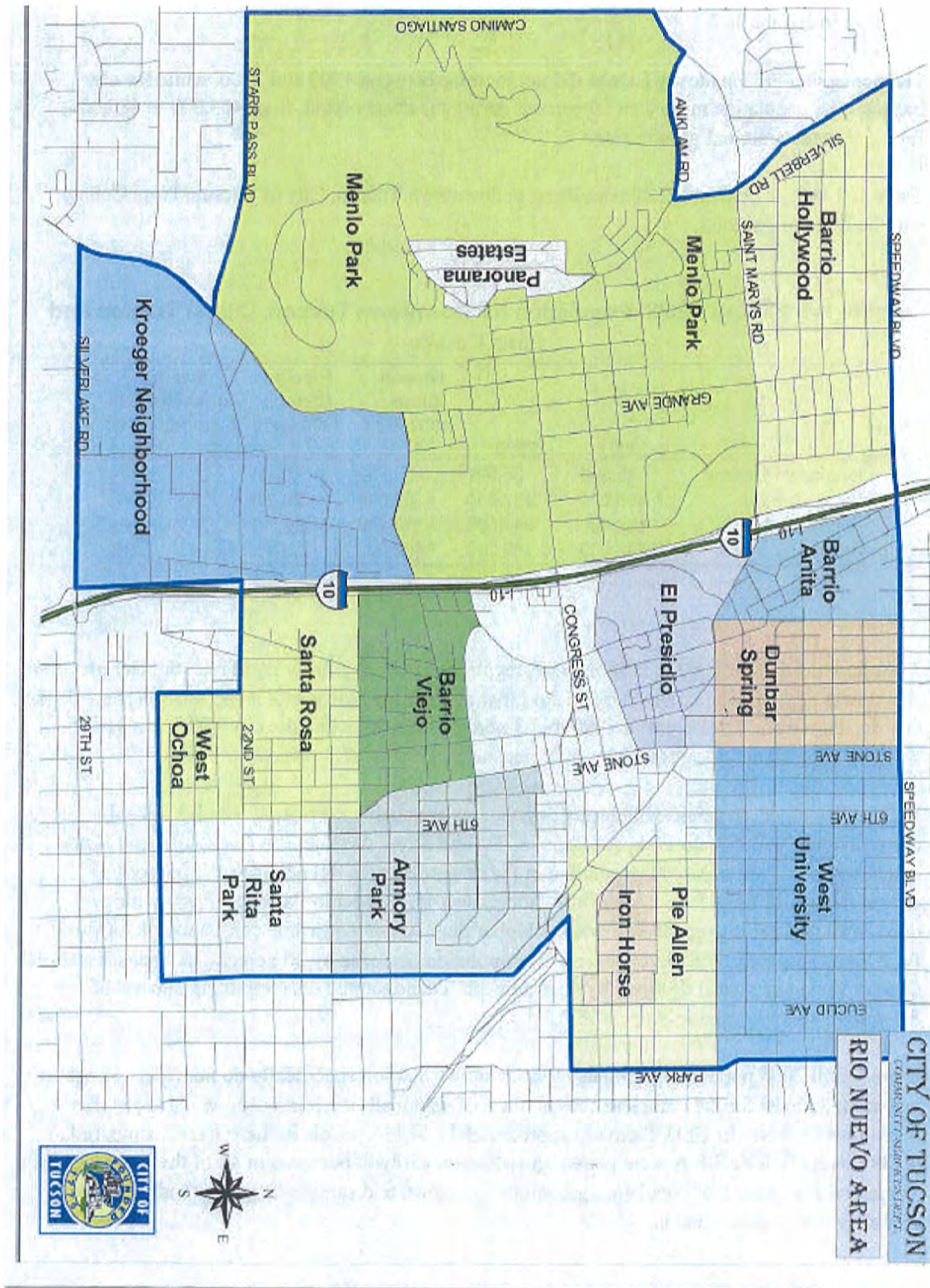
Source: US Census, Economics Research Associates

Therefore, during the 1990 to 2000 decade, the region grew at a fairly rapid rate, the city grew but at a slower rate, and the downtown did not grow at all. Downtown saw its population share of the city decrease from 8.8 percent in 1990 to 7.3 percent in 2000, while the city of Tucson saw its share of Pima County decrease from 60.8 percent in 1990 to 57.7 percent in 2000.

Within downtown, the areas with larger populations are census tracts 2, 4, 5 and 7, roughly corresponding with Menlo Park, southeast 6<sup>th</sup> St. and Stone Avenue, Pie Allen, and Iron Horse neighborhoods. Although total population in the downtown area did not vary, the portions of census tracts 1 (CBD), 5 (Pie Allen/Iron Horse) and 44.15 (Menlo Park/Star Pass) within downtown registered population increases higher than 10 percent, while census tract 8 (Armory Park/Santa Rita Park/Park Avenue) saw its population decrease by 30 percent, and census tract 10 (Barrio Viejo and south) declined by 45.4 percent. Demographic data regarding subsets of downtown are presented in Appendix A.

More recent 2005 population estimates for downtown Tucson specifically do not exist. However, estimates do exist for the complete census tracts of which all or a portion of which are within downtown Tucson. In 2005, there are approximately 44,136 people in these tracts, compared to 40,393 in 2000, for a 1.8 percent annual growth rate. Growth occurred in all of the census tracts. Therefore, it appears that population growth in downtown and surrounding neighborhoods is a relatively recent phenomenon.

Exhibit II-2 Downtown Tucson Neighborhoods



## **Race and Hispanic Origin**

Downtown has a lower share of whites and a higher share of minorities. Still, two-thirds of the population is white.

Although downtown traditionally has a higher proportion of Hispanics. The Hispanic population appears to be declining there and growing in the suburban areas within Tucson and outside Tucson instead.

The Hispanic population in the downtown area decreased 7.0 percent or 1,123 people between 1990 and 2000. In contrast, the Hispanic population in the city of Tucson and Pima County increased significantly during the 10-year period, 48.7 percent and 53.9 percent respectively. Of the 86,800 new Hispanic residents in 2000 in Pima County, 65.8 percent or 57,000 lived in the City of Tucson.

The Non-Hispanic population in the downtown area grew by 1,156 people, or 5.9 percent between 1990 and 2000. Non-Hispanics in the city of Tucson and Pima County increased by 8.4 percent and 17.8 percent respectively during the same time period. Of the 90,000 new Non-Hispanic residents in Pima County in 2000, 24,100 or 26.8 percent lived in the City of Tucson.

## **Age**

The proportion of the total population under 9 years of age and between 20 and 34 years of age in downtown Tucson, the city of Tucson, and Pima County decreased in 2000 compared to 1990. Conversely, the proportion of the total population in age cohorts 10 to 19 and 35 to 54 increased during this period

The proportion of the total population between 55 and 64 years of age decreased in downtown Tucson and the city of Tucson between 1990 and 2000 while increasing in Pima County.

Compared to the city of Tucson and Pima County, downtown Tucson had a higher proportion of its population between 10 to 19 and 20 to 34 years of age, while the proportion of its total population between 35 and 54 years of age and seniors was lower.

## **Education**

The ratio of population 25 years and older with their educational level less than 9<sup>th</sup> grade was almost twice in downtown in the city as a whole, and more than twice than Pima County. Though the downtown population had a comparable share of people with graduate or professional degrees and college degrees than the larger areas, the downtown population on average had lower educational attainment because of its larger share of adults who did not graduate from high school. Appendix C shows schools in downtown Tucson and their grades, enrollment and student-teacher ratios.



## Population Origin

The downtown population is more transient than the countywide population. According to the 2000 census, 62 percent of residents of downtown tracts lived somewhere else five years earlier in 1995, compared to 54 percent countywide. Approximately 30 percent lived in a different county five years earlier, compared to 20 percent of Pima residents. Therefore, almost half of downtown residents were new to the region five years earlier. Approximately 5 percent of residents of downtown tracts lived outside the United States five years earlier, compared to 3 percent countywide.

## Households

For the household analysis, ERA included the Downtown Core, which is the area bordered by the I-10 freeway, St. Mary's, UPRR and 3<sup>rd</sup> Avenue and 14<sup>th</sup> and Cushing Streets. This area encompasses, approximately, CT 1, BG 1 of CT 2 and BG 3 of CT 3<sup>1</sup>. According to the US Census, the city of Tucson and Pima County experienced an 18.3 percent and 26.8 percent increase between 1990 and 2000 respectively, while downtown Tucson lost 194 households and the downtown core added 5 households during the same time period, as shown in Table II-2.

Downtown Tucson saw its share of total households in the City of Tucson decrease from 7.6 percent in 1990 to 6.3 percent in 2000, while the city of Tucson saw its share of households in Pima County fall from 62.2 percent in 1990 to 58.0 percent in 2000.

**Table II-2 1990 and 2000 Downtown Core, Downtown Tucson, City of Tucson and Pima County Households**

<b>Households</b>	<b>1990</b>	<b>2000</b>	<b>% Change</b>
Downtown Core	1,445	1,450	0.3%
Total Downtown	12,328	12,134	-1.6%
City of Tucson	162,978	192,884	18.3%
Pima County	262,129	332,497	26.8%

Source: 1990 and 2000 U.S. Population Census

The change in households within the downtown area was not even, with CT 3 and 8 decreasing by 93 and 259 households respectively.

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<sup>1</sup> As per City of Tucson definition, fax sent to ERA on 11-30-05.

## Household Size

The average household size in the City of Tucson was 2.58 for owner-occupied homes and 2.24 for renter-occupied homes, only slightly less than the 2.59 for owner-occupied homes and 2.26 for renter-occupied homes in Pima County.

Compared to 1990, the 1-person household category in 2000 increased its share of total households in all geographies except the downtown core, while the 2-person household category increased in the downtown core, downtown Tucson and Pima County, and decreased in the City of Tucson. These results, combined, made 1-person households the category with the largest share of total households in the City of Tucson. The 3 and 4-person household category decreased their share of total households for all areas except the downtown core.

In 2000, approximately 69 percent of households in census tracts that are wholly or partially within downtown were family households, less than the 72 percent in the city of Tucson and 82 percent in Pima County. The remainders are non-family households, such as unrelated individuals living together.

## Income Distribution

In 1990, 39.6 percent of all households in Pima County and 46.0 percent in the City of Tucson earned less than \$20,000, compared to 65.0 percent of all households in downtown Tucson and 66.9 percent in the downtown core. Households earning more than \$20,000 and less than \$50,000 accounted for 42.3 percent in Pima County and 41.7 percent in the City of Tucson, much higher than the 28.1 percent and 27.5 percent of all households in downtown Tucson and the downtown core respectively.

The share of households earning more than \$50,000 in 1990 was significantly higher in the city of Tucson and Pima County, with 12.3 percent and 18.1 percent respectively, compared to 6.9 percent and 5.7 percent of total households for downtown Tucson and the downtown core.

In 2000, 24.9 percent and 30.6 percent of all households in Pima County and the City of Tucson respectively earned less than \$20,000, compared to 44.8 percent of all households in downtown Tucson and 55.3 percent in the downtown core. Households earning more than \$20,000 and less than \$50,000 accounted for 40.0 percent of total households in Pima County and 43.0 percent in The City of Tucson. In downtown Tucson and the downtown core, 38.6 percent and 33.4 percent of all households respectively earned more than \$20,000 and less than \$50,000 in 2000.

In 2000, the share of households earning more than \$50,000 was twice as much in Pima County than in downtown Tucson, with 35.1 percent, compared to 16.6 percent downtown. In the city of Tucson, 26.5 percent of all households earned more than \$50,000. Only 11.2 percent of households in the downtown core earned more than \$50,000.

Compared to Pima County and the city of Tucson, downtown Tucson and the downtown core areas have a higher share of low-income households and a lower share of high-income households.

Median household income in the city of Tucson increased from \$29,219 in 1989 to \$30,981 in 1999, in constant 1999 dollars, for a 0.6 percent compounded annual growth rate (CAGR). During the same time period, the median household income in Pima County increased from \$34,127 in 1989 to \$36,758 in 1999, in constant 1999 dollars, for a 0.7 percent CAGR. Median household income in both The City of Tucson and Pima County were lower than in the State of Arizona, with \$37,001 in 1989 and \$40,558 in 1999, in constant 1999 dollars, for a 0.9 CAGR.

An overall median household income figure for the census tracts and portion of census tracts within downtown Tucson is not available; however, Exhibit A-8 in Appendix A shows median household income by census tract in the city of Tucson in 2000. The lighter shades represent lower median household incomes and the darker shades represent higher median household income. As shown in the Exhibit, the downtown area has the lowest income in the region, with the north and eastern parts of the city with the highest income levels.

## **Household Tenure By Age of Householder**

The downtown core and downtown census tracts have a much lower percentage of homeowners than the city or county as a whole. Only 15.8 percent and approximately 40 percent of the households within the downtown core and downtown census tracts are homeowners, compared to 54 percent in the City of Tucson and 64 percent in Pima County as a whole.

Relative to the county as a whole, homeowners in downtown tracts are disproportionately older as of the 2000 census. Approximately 36 percent of homeowners are 65 years and older, compared to 30 percent countywide. While less than the countywide ratio, 38 percent of downtown homeowners are middle-aged adults between 35 and 54 years old. Downtown tracts have a slightly higher share of young adults 25-34 years old that are homeowners and somewhat lower share of 55-64 year olds that are homeowners – two age cohorts often associated with downtown housing in other markets.

Young adults that are 34-years or younger are disproportionately represented among the renters in downtown tracts, 52 percent compared to 44 percent countywide. Downtown's share of seniors is comparable to the countywide share.



**Table II-3 Household Tenure By Age of Householder, 2000**

	<b>Downtown Core</b>	<b>Downtown Tracts</b>	<b>Pima County</b>
Owner occupied:	241	5,508	213,620
Householder 15 to 24 years	0%	1%	1%
Householder 25 to 34 years	7%	11%	10%
Householder 35 to 44 years	9%	16%	20%
Householder 45 to 54 years	20%	22%	22%
Householder 55 to 59 years	30%	9%	9%
Householder 60 to 64 years	4%	6%	8%
Householder 65 to 74 years	14%	17%	16%
Householder 75 to 84 years	11%	13%	11%
Householder 85 years and over	5%	6%	3%

	<b>Downtown Core</b>	<b>Downtown Tracts</b>	<b>Pima County</b>
Renter occupied:	1,284	8,270	118,730
Householder 15 to 24 years	19%	24%	17%
Householder 25 to 34 years	23%	28%	27%
Householder 35 to 44 years	19%	16%	21%
Householder 45 to 54 years	14%	14%	15%
Householder 55 to 59 years	2%	4%	4%
Householder 60 to 64 years	4%	4%	3%
Householder 65 to 74 years	9%	6%	5%
Householder 75 to 84 years	7%	4%	5%
Householder 85 years and over	3%	1%	2%

Source: U.S. Census, 2000

### **III. Employment Context**

Housing demand is strongly linked to job generation. Without jobs and the income they provide, most families and individuals cannot afford new housing costs. Retirees supported by retirement income, people supported by transfer payments, people supported by savings, second home buyers, students supported by parent income, and homebuyers using accumulated equity or wealth are among the exceptions. Nevertheless, there is a strong correlation between job growth and housing demand.

The nature of the regional economy also strongly influences how much housing cost the market is able to support and the depth of particular price-point niches.

Finally, housing demand for a particular area within a region, such as downtown, is influenced by the location's accessibility to jobs and the nature of these jobs. This section discusses some of the employment context that could influence demand for downtown housing.

#### ***Employment***

##### **Regional Employment**

Non-farm employment growth trends in the Tucson MSA have typically mirrored national economic cycles; however, the region's reliance on leisure services, defense, and the aerospace industry have caused more severe economic cycle impacts.

According to the Arizona Department of Economic Security, in 2004, there were 351,500 non-farm employments in Pima County, as shown in Table III-1.

During the 1990-2004 period, approximately 100,000 non-farm jobs were added in the Tucson MSA, with a 2.4 percent CAGR. The sectors with highest growth were Professional and Business Services, with a 4.8 percent CAGR, Educational and Health Services with a 3.3 percent CAGR, Construction with a 3.2 CAGR, and Information with 3.0 percent CAGR. The Other Services and Government sectors also experienced strong growth.

The Manufacturing sector presented positive growth between 1990 and 2000, but dropped sharply between 2000 and 2004, for an overall CAGR of 0.77 percent. The share of manufacturing jobs has fallen from 10.0 percent in 1990 to 8.0 percent in 2004.

**Table III-1 Tucson MSA (Pima County) Sectoral Employment Trends**

	1990	1995	2000	2004	Average Annual Growth Rate 1990- 2004
<b>Natural Resources and Mining</b>	2,200	2,200	1,800	1,200	-4.24%
<b>Construction</b>	14,900	20,600	22,900	23,300	3.25%
<b>Manufacturing</b>	25,500	27,400	32,900	28,400	0.77%
<b>Trade, Transportation, and Utilities</b>	45,300	51,600	55,000	54,300	1.30%
Wholesale Trade	5,900	6,700	7,500	7,300	1.53%
Retail Trade	33,700	37,200	38,700	39,300	1.10%
Transp., Warehousing, and Utilities	5,700	7,700	8,800	7,700	2.17%
<b>Information</b>	5,100	6,500	7,900	7,700	2.99%
<b>Financial Activities</b>	11,900	11,600	14,800	15,400	1.86%
<b>Professional and Business Services</b>	21,400	33,800	43,500	41,400	4.83%
Professional and Tech. Services	9,400	12,800	15,600	14,200	2.99%
Management of Companies	1,200	3,200	2,600	2,300	4.76%
Administrative and Waste Services	10,800	17,800	25,300	24,900	6.15%
<b>Educational and Health Services</b>	30,000	35,500	42,000	47,500	3.34%
<b>Leisure and Hospitality</b>	29,500	34,800	39,900	37,800	1.79%
Arts, Entertainment, and Recreation	5,000	5,300	5,100	5,200	0.28%
Accommodation and Food Services	24,500	29,500	34,800	32,600	2.06%
<b>Other Services</b>	10,000	10,200	13,000	14,700	2.79%
<b>Government</b>	55,900	68,400	76,300	80,000	2.59%
<b>Total Non Farm</b>	<b>251,700</b>	<b>302,600</b>	<b>350,000</b>	<b>351,700</b>	<b>2.42%</b>

Source: Arizona Department of Economic Security and Economics Research Associates

## Resident Employment

Exhibit III-1 shows employment by industry in 1990 for people living in the downtown core, downtown Tucson, the city of Tucson, and Pima County.

As shown in the exhibit, retail trade represented the largest share of total employment for all areas, with 19.1 percent and 20.4 percent of downtown core and downtown Tucson residents, 21.4 percent for the city, and 19.9 percent for Pima County.

Downtown residents had a particularly higher than average share of employment in educational services; business, personal, entertainment, and recreation services; and professional, real estate, and related services.

It should be noted that the US Census changed and added employment by industry categories between 1990 and 2000.



Exhibit III-2 shows resident employment by industry in 2000. Retail trade services declined significantly as a percentage of total jobs in all three areas. Educational services represented the largest share of total employment in downtown Tucson, with 21.9 percent of downtown jobs, compared to 21.4 percent for the city of Tucson and 19.9 percent for Pima County. The second largest industry category in downtown, and higher than average compared to the city and county, is arts, entertainment, recreation, accommodations & food services.

In the year 2000, the ratio of resident jobs-per-household in the three areas analyzed were as follows:

**Table III-2: Average Jobs/Household 2000**

Area	Average Jobs/Household
Downtown Tucson	1.29
City of Tucson	1.12
Pima County	1.12

Source: U.S. Census 2000

Households within downtown Tucson tend to be supported by more jobs than households in the city and county as a whole.

### ***Resident Employment By Occupation***

Detailed occupations for downtown residents were compared to the city and county as a whole, as reported by the census. Table III-3 presents those occupations that were disproportionately represented among downtown residents compared to either the city or the county, or both. The percentages do not add to 100 since some occupations are subsets of larger occupation categories. Downtown residents appear to be disproportionately represented among managerial, professional, health technical, educational, and service occupations.

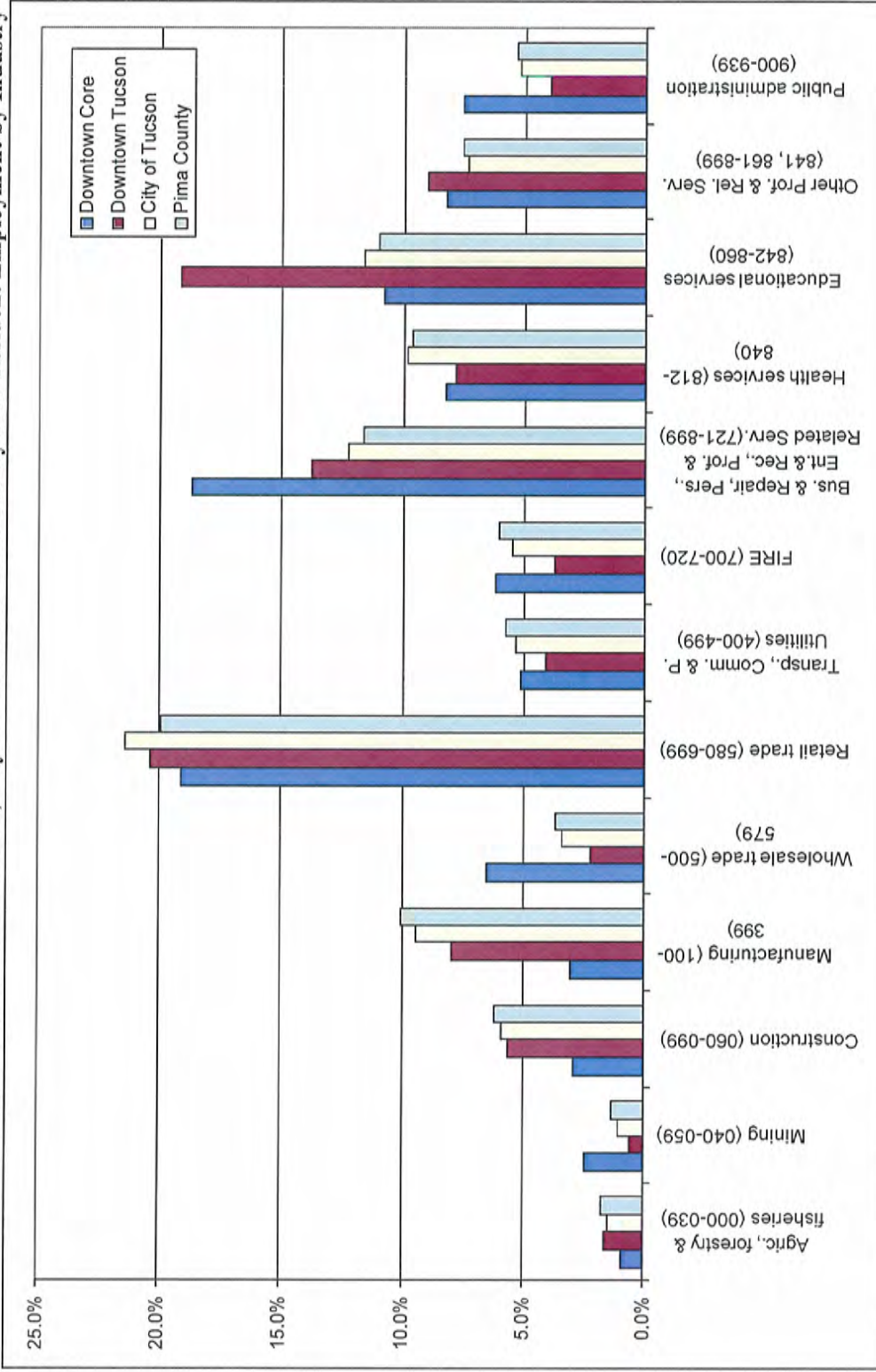
**Table III-3: Selected Downtown Resident Occupations**

<b>Occupation (1)</b>	<b>% of Total Downtown Resident Jobs (1)</b>
Management, professionals & related	18%
Professional & related	13%
Life, physical, & social science	2%
Education, training, & library	4%
Post-secondary teachers	2%
Other teachers, instructors	1%
Arts, design, entertainment, sports, media	2%
Art and design	1%
Entertainment, performers, sports & related	1%
Media & communications	1%
Health technologists & technicians	1%
Service occupations	10%
Food preparation & serving related	4%
Cooks & food preparation	2%
Food & beverage serving	1%
Buildings & grounds cleaning and maintenance	3%
Supervisors & other personal care services	1%
Office & administrative support services	5%
Other office and administrative support services	2%
Painters & paper hangers	1%
Production occupations	4%
Other production occupations	2%

(1) Includes categories that are subsets of more general categories, so percentages should not be added.

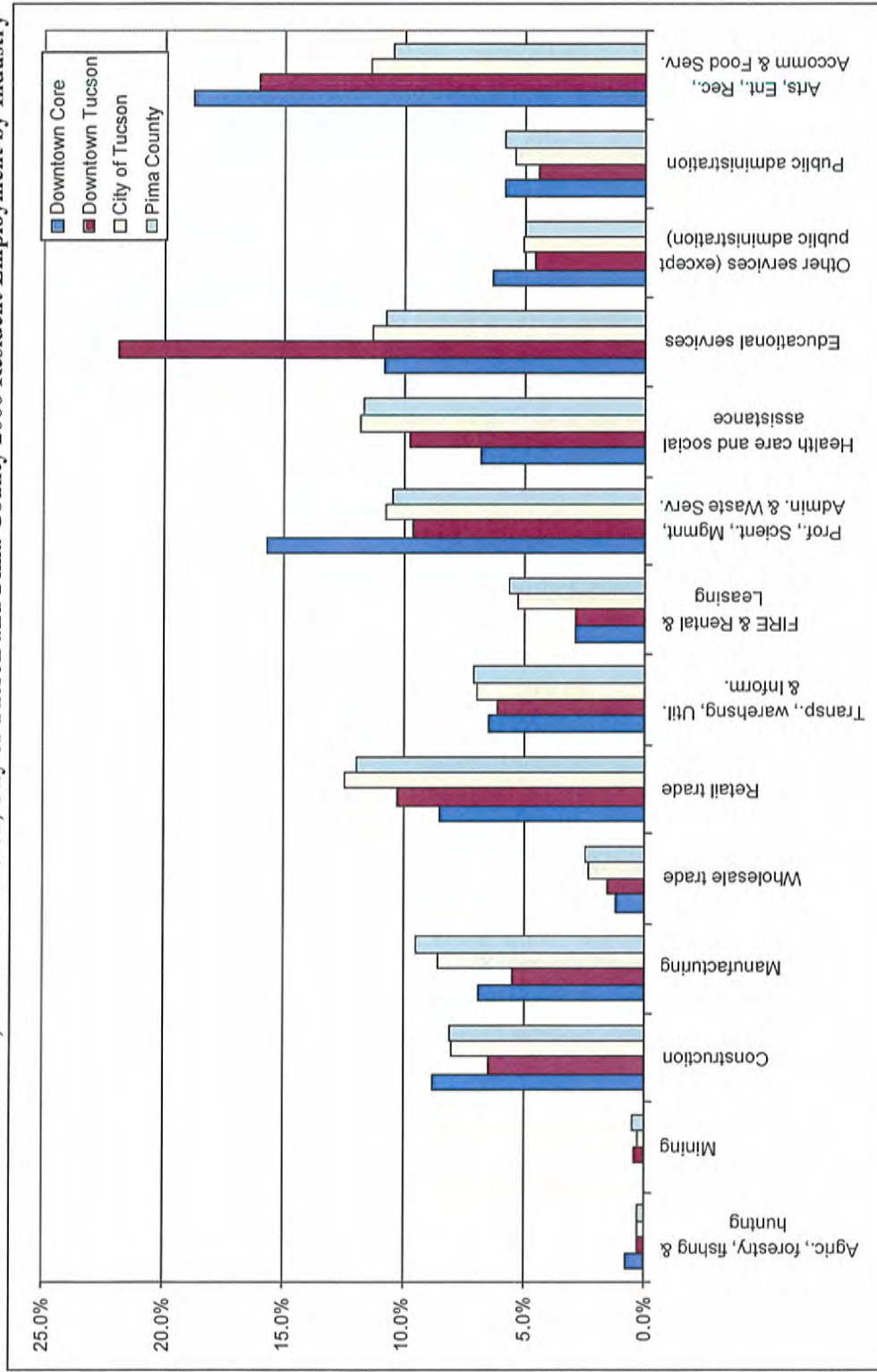
Source: U.S. Census, 2000

Exhibit III-1 Downtown Core, Downtown Tucson, City of Tucson and Pima County 1990 Resident Employment by Industry



Source: 1990 US Census

Exhibit III-2 Downtown Core, Downtown Tucson, City of Tucson and Pima County 2000 Resident Employment by Industry



Source: 2000 US Census



## ***Employment Within Downtown***

Most downtown employment is in the public sector. Using the downtown and Central Business District definitions according to Transportation Analysis Zones (TAZs), which is larger than just the Zip Code 85701 area, the City of Tucson Planning Department estimates that 26,932 people worked in the greater downtown area in 2000, including both public and private sector employment, of which 19,351 worked within the Central Business District. The CBD, as defined by the City of Tucson, includes TAZ 1 through 22, 24 and 26.

In the year 2000, the number of people working in downtown comprised 7.7 percent of all people working in Pima County, and the people working within the CBD comprised 5.5 percent of the countywide jobs. As shown in Table III-4, downtown jobs are forecasted to grow at somewhat below the countywide job growth rate, but still at a fairly rapid rate, adding almost 17,500 jobs during the period, or over 580 jobs per year. The downtown core is forecasted to add over 13,600 jobs during the same time period, or over 450 jobs per year on average.

**Table III-4  
Downtown Job Forecasts 2000-2030**

	<b>2000</b>	<b>2030</b>	<b>% Change</b>	<b>CAGR</b>
Downtown Core	19,351	32,994	70.5%	1.8%
Downtown	26,932	44,427	65.0%	1.7%
Pima County	350,600	652,400	86.1%	2.1%

Source: City of Tucson Planning Department

Approximately 7,000 people work within the private sector in zip code area 85701 within downtown Tucson. However, private sector downtown employment has been gradually declining in absolute amounts and as a percentage of countywide employment. Table III-5 compares private sector downtown employment (zip code 85701) with Pima County employment from 1994 to 2002, the last year employment data is available on a zip code basis from the U.S. Department of Commerce's County Business Patterns.

Non-farm private sector employment within zip code 85701 has fluctuated year to year, but has generally declined since 1994, while Pima County's employment has gradually increased. Consequently, this area's share of regional employment has fallen from 3.2 percent in 1994 to 2.3 percent in 2002, a 28 percent decline in market share.

**Table III-5 ZC 85701 and Pima County Non-Farm, Private Sector Employment  
1994-2002**

<b>Year</b>	<b>Zip Code 85701</b>	<b>Pima County</b>	<b>ZC 85701/Pima County</b>
1994	7,646	241,671	3.2%
1995	6,586	247,225	2.7%
1996	6,368	253,420	2.5%
1997	7,646	266,388	2.9%
1998	7,241	268,142	2.7%
1999	7,080	278,669	2.5%
2000	6,307	293,382	2.1%
2001	7,526	293,987	2.6%
2002	6,807	293,113	2.3%

Source: U.S. Department of Commerce, County Business Patterns

### ***The University of Arizona***

The University of Arizona's proximity to downtown presents a significant opportunity. It is a major employer, generator of student and post-graduate demand, and an attractor of new residents to Tucson. The University has transferred some administrative facilities to downtown offices in order to free-up space on campus for other uses. It is a major sponsor and investor in proposed Rio Nuevo cultural facilities, in particular the planned science museum.

The University of Arizona has almost 37,000 students, or 34,500 full-time equivalent students; almost 14,500 employees, or over 11,700 full-time equivalent employment. According to University data, most students and staff cluster within Wards 3 and 6, primarily north and east of the campus. The adjacent neighborhood just west of campus is popular with students.

Downtown Tucson is a potentially appealing location, particularly for some staff and post-graduates, given its proximity to campus and unique urban environment, especially if public transportation linkages are improved. While the University of Arizona is not planned to increase enrollment significantly, employment is expected to increase as research and institutional functions grow. This may cause the relocation of more administrative facilities off campus, including downtown Tucson.

## IV. Population and Employment Forecasts

According to City of Tucson data, downtown Tucson is forecasted to add more than 12,600 people between 2005 and 2030, for a 28.7 percent change and a 1.01 CAGR, which is greater than historical trends. Census tracts 2, 5 and 25.01 are projected to add 1,240, 2,790 and 3,400 new residents during the 25-year period respectively.

Census tracts 3, 25.01 and 44.15 are forecasted to increase their population by more than 50.0 percent between 2005 and 2030.

Table IV-1 shows the City's population forecasts by census tract for Downtown Tucson between 2005 and 2030.

**Table IV-1 2005-2030 Downtown Tucson Population Projections**

							Numeric Change 2005-2030	Percent Change 2005-2030	Average Annual Growth Rate 2005- 2030
	2005	2010	2015	2020	2025	2030			
CT 1	643	702	766	833	893	941	298	46.42%	1.54%
CT 2	5,026	5,291	5,582	5,878	6,119	6,271	1,246	24.78%	0.89%
CT 3	1,628	1,815	2,017	2,228	2,423	2,586	958	58.88%	1.87%
CT 4	3,894	4,046	4,215	4,383	4,508	4,567	673	17.28%	0.64%
CT 5	10,535	11,125	11,770	12,428	12,972	13,330	2,795	26.53%	0.95%
CT 7	5,438	5,585	5,750	5,911	6,009	6,017	579	10.65%	0.41%
CT 8	1,728	1,788	1,854	1,920	1,966	1,983	255	14.78%	0.55%
CT 9	3,389	3,546	3,719	3,894	4,031	4,109	721	21.27%	0.77%
CT 10	938	990	1,048	1,107	1,156	1,188	251	26.76%	0.95%
CT 11	3,177	3,315	3,467	3,620	3,738	3,801	624	19.63%	0.72%
CT 25.01	6,008	6,674	7,395	8,144	8,836	9,410	3,402	56.63%	1.81%
CT 44.15	1,733	1,906	2,093	2,287	2,463	2,607	874	50.40%	1.65%
<b>Total DT</b>	<b>44,136</b>	<b>46,784</b>	<b>49,677</b>	<b>52,633</b>	<b>55,114</b>	<b>56,811</b>	<b>12,675</b>	<b>28.72%</b>	<b>1.01%</b>

Source: John Beall, Dept. of Urban Planning, City of Tucson and Economics Research Associates

The City of Tucson is forecasted to add almost 110,000 people between 2000 and 2010, which represents 55.6 percent of the total growth forecasted in Pima County and 7.0 percent in the State of Arizona. Table IV-2 shows population forecast for the city of Tucson, Pima County and the State of Arizona for 2010.

**Table IV-2 City of Tucson, Pima County and State of Arizona Population Projections**

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	Numeric Change 2000-2010	Percent Change 2000- 2010	Average Annual Growth Rate 2000-2010
City of Tucson	331,000	405,000	487,000	596,000	109,000	22.38%	2.04%
Pima County	542,000	666,000	844,000	1,040,000	196,000	23.22%	2.11%
Arizona	2,785,000	3,747,000	5,169,000	6,735,000	1,566,000	30.30%	2.68%

Source: US Census, L. William Seidman Research Institute, College of Business, Arizona State University, Economics Research Associates

Table IV-3 shows employment projections by industry in the Tucson Metro Area (MSA). The mining and services sectors are forecasted to grow more than 120.0 percent during the 30-year period, while Transportation, Communication and Public Utilities (T.C.P.U.) is expected to increase its employment base by 10.0 percent during the same time period.

All of the sectors are projected to add jobs from 2000 to 2030, with most jobs by far in the Services sector, followed by Trade, and Government. In terms of growth rates, the three fastest growing sectors anticipated are Mining, Services, and Trade. Finance, Insurance, and Real Estate (FIRE), an important sector traditionally for office and downtown markets, is projected to add 9,700 jobs over a 30-year period, or almost 325 per year, for a 1.8 percent annual growth rate.

The Trade, Services and the Government sectors account for 85.0 percent of the total employment growth during the 30-year period. The development over time of the Rio Nuevo cultural, entertainment, and visitor facilities will increase employment within downtown. Most of these jobs are expected in the Services sector. Given these forecasts, services and government, and to a lesser extent FIRE, will probably be the driving forces behind downtown employment growth.



**Table IV-3 2000-2030 Tucson MSA Employment by Industry Projection**

	2000	2010	2020	2030	Numeric Change 2000-2030	Percent Change 2000- 2030	Average Annual Growth Rate 2000-2030
Mining	1,900	2,100	3,100	4,300	2,400	126.32%	2.76%
Construction	21,900	23,900	29,600	34,100	12,200	55.71%	1.49%
Manufacturing	33,000	40,200	46,200	52,800	19,800	60.00%	1.58%
T.C.P.U.	12,000	13,100	13,300	13,200	1,200	10.00%	0.32%
Trade	72,600	85,800	112,300	142,300	69,700	96.01%	2.27%
F.I.R.E.	13,800	16,000	19,800	23,500	9,700	70.29%	1.79%
Services	119,200	159,900	208,800	266,200	147,000	123.32%	2.71%
Government	76,200	89,000	103,300	116,000	39,800	52.23%	1.41%
<b>Total</b>	<b>350,600</b>	<b>430,000</b>	<b>536,400</b>	<b>652,400</b>	<b>301,800</b>	<b>86.08%</b>	<b>2.09%</b>

T.C.P.U. = Transportation, Communication & Public Utilities

F.I.R.E. = Finance, Insurance, and Real Estate

Source: Tucson Planning Department and Economics Research Associates

## V. Residential Market Trends

This section examines residential trends in downtown Tucson and the city of Tucson.

### ***Building Permits***

Between 1995 and 2004, the City of Tucson has granted an average of 2,321 permits per year for single-family homes, with 2000 the year most permits were issued (2,876) and 1995 the least (1,731). Permits for single-family homes grew steadily between 1995 and 2000, and dropped since, as shown in Table V.1.

Excluding mobile homes, the City of Tucson has added, on average, 3,129 dwelling units per year, of which, 74.2 percent are single-family homes and 19.8 percent are apartments. From 1995 to 2004, Tucson has averaged 2,321 single-family permits, 190 town home, duplex, and tri-&-four-plex permits; and 619 apartment permits.

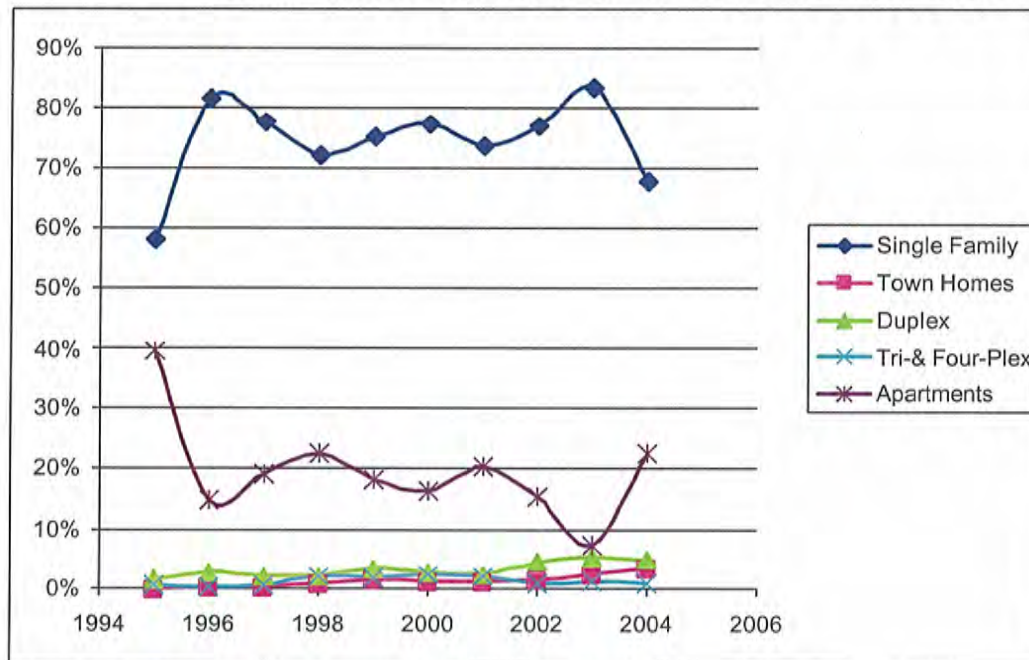
**Table V-1 1995-2004 Building Permits by Category in The City of Tucson**

Year	Single Family	Town Homes	Duplex	Tri-& Four-Plex	Apartments	Total Excluding Mobile Homes	Mobile Homes	Total
1995	1,731	0	50	20	1,175	2,976	544	3,520
1996	1,957	8	68	6	358	2,397	525	2,922
1997	2,055	10	56	20	507	2,648	390	3,038
1998	2,550	31	81	76	797	3,535	644	4,179
1999	2,657	58	118	67	641	3,541	615	4,156
2000	2,876	41	104	90	612	3,723	559	4,282
2001	2,534	42	88	77	703	3,444	611	4,055
2002	2,355	52	146	29	475	3,057	547	3,604
2003	2,353	72	156	33	207	2,821	373	3,194
2004	2,137	106	160	33	714	3,150	372	3,522

Source: City of Tucson Department of Planning and Design

Exhibit V-1 shows the direct relationship between single-family home permits and apartment permits per year. There appears an inverse relationship between single-family permits issued and apartment permits issued over time. As interest rates fall, ownership housing becomes more affordable, which increases demand for ownership housing among who might otherwise rent, thus reducing demand for apartments unless this demand is replaced by migration and new households (such as an increase in adult children moving out on their own). Conversely, as interest rates rise, ownership costs increase and more households choose to rent instead, increasing demand for apartments.

**Exhibit V-1 1995-2000 Share of Total Building Permits in The City of Tucson**



Source: City of Tucson Department of Planning and Design

## Sales Trends

Residential sales in the Tucson Metropolitan Area increased steadily between 1997 and 1999, decreased 1.5 percent in 2000 and increased more than 9.0 percent every year thereafter as mortgage interest rates fell to historical lows. Total home sales increased 9.1 percent between 2001 and 2002, 10.3 percent between 2002 and 2003 and 16.4 percent between 2003 and 2004.

Table V-2 shows residential sales by type of home for the Tucson Metro Area between 1997 and 2004. As shown in the Table, single-family home sales more than doubled in 2004 compared to 1997, town homes and condominium sales increased 55.4 percent, while mobile home sales in 2004 decreased 43.9 percent compared to 1997 sales. Total home sales in the Tucson Metro Area doubled in 2004 compared to 1997 figures.

Despite a steady increase in total townhouses and condominium units during the seven-year period, the share of single-family homes with respect to total home sales per year in the Tucson Metro Area has increased from 78.5 percent in 1997 to 85.6 percent in 2004, while the share of townhouses and condominiums has decreased from 17.0 percent in 1997 to 13.2 percent in 2004, as shown in Exhibit V-2.

**Table V-2 1997-2004 Tucson Metropolitan Area Residential Sales**

	1997	1998	1999	2000	2001	2002	2003	2004
<b>Single Family Homes</b>	6,650	8,013	9,018	8,927	9,984	10,971	12,192	14,559
<b>Townhouse/Condos</b>	1,444	1,572	1,721	1,715	1,842	1,985	2,168	2,245
<b>Mobile Home</b>	378	435	505	435	316	295	258	212
<b>Total</b>	<b>8,472</b>	<b>10,020</b>	<b>11,244</b>	<b>11,077</b>	<b>12,142</b>	<b>13,251</b>	<b>14,618</b>	<b>17,016</b>

Source: Tucson Association of Realtors, Economics Research Associates

Exhibit V-3 shows the average sales price and days on market between 1997 and 2004, according to the Tucson Association of Realtors. The average sales price for all property types increased more than \$73,000 during the seven-year period, an increase of 55.3 percent. Furthermore, the average sales price for all property types increased 21.3 percent between 2002 and 2004, from \$169,063 to \$205,188 respectively.

The increases in average sales price, coupled with the significant reduction in average days on the market signal to a strong Tucson Metro real estate market, fueled by job growth and historically low interest rates. Between 1997 and 2004, the average days on the market for all property types decreased from 78 to 49 for a 37.2 percent decrease.

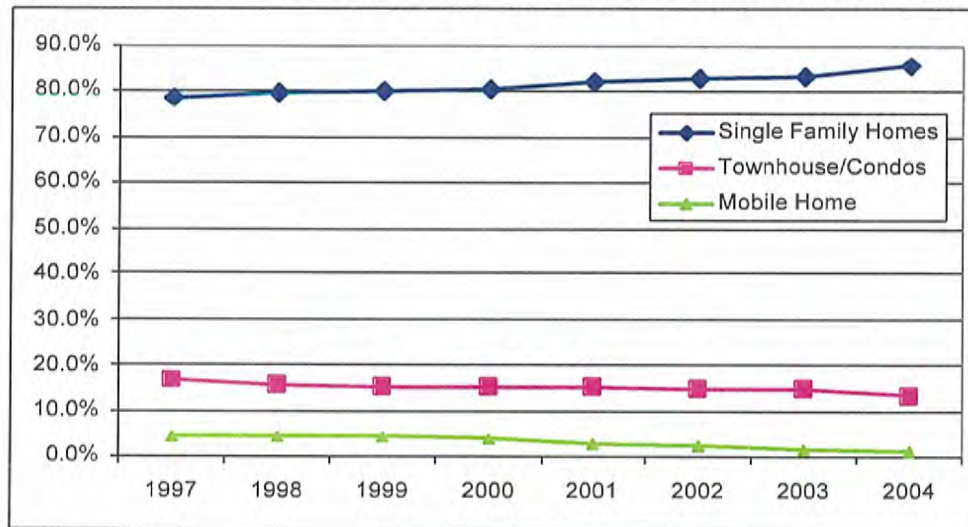
### **Condominiums and Townhouses**

According to the MeyersGroup, during the 1<sup>st</sup> quarter of 2005, 44 townhouse/multiplex units sold, a 69 percent increase from the 1<sup>st</sup> quarter of 2004, and 44 condominium units sold, a 529 percent increase from the same quarter during the previous year. Among the projects selling units, the average monthly sales rate per project for townhouse/multiplex projects was 3.67, versus 1.30 the same period of the prior year. The monthly sales rate per project for condominiums was 11.09, versus 1.41 the same period of the prior year.

There were approximately 118 unsold townhouse/multiplex units during the 1Q, 2005, compared to 705 during the same time the prior year, and 47 unsold condominium units versus 15 during 1Q, 2004. Thus, much of the unsold inventory during early 2004 was absorbed, leaving few units available on the market.

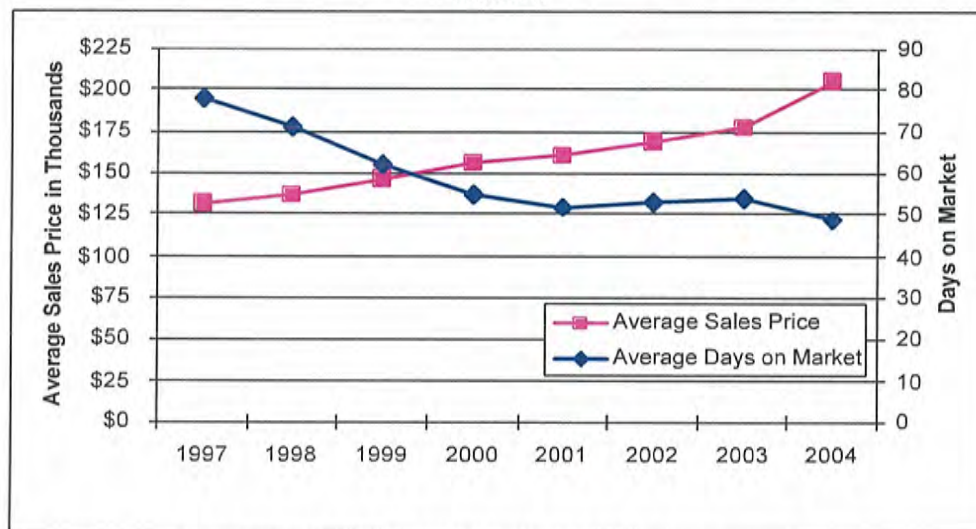


**Exhibit V-2 1997-2004 Tucson Metro Area Share of Total Building Permits by Type**



Source: Tucson Association of Realtors, Economics Research Associates

**Exhibit V-3 1997-2004 Average Sales Price and Days in Market in the City of Tucson**



Source: Tucson Association of Realtors, Economics Research Associates

The median and average prices and size per unit were as follows:

**Table V-3: Median and Average Price for Townhouses and Condominiums,  
1<sup>st</sup> Quarter, 2005**

	<b>Square Feet Per Unit</b>	<b>Price</b>	<b>Price Per Square Foot</b>
<b>Median:</b>			
Townhouses/multiplex	1,458	\$170,690	\$122.90
Condominiums	968	\$156,900	\$155.89
<b>Mean Average:</b>			
Townhouses/multiplex	1,431	\$158,760	\$111.03
Condominiums	1,075	\$171,809	\$159.91

Source: The MeyersGroup

At the time there were five active townhouse developments and three active condominium developments by production builders. Most of the activity by production builders is in the suburban communities in northeast Tucson, southeast Tucson, and Oro Valley north. The projects typically were targeting retirees, professional couples, empty nesters, and singles. The townhouses were on lots ranging from 2,000 to 5,500 square feet. The condominiums typically were two-story suburban products.

There are few examples of the type of urban housing envisioned for downtown Tucson. One condominium project, West University Court, is near Downtown at Euclid and 6<sup>th</sup> Street, and sold condominium units ranging from 1,205 to 1,870 square feet, for \$182,400 to \$249,900, or \$134 to \$151 per square foot.

## **New Downtown Housing**

Table V-4 shows planned, under construction or nearly finished residential projects in Downtown Tucson. Twelve of the fourteen projects in Downtown are for-sale projects, adding 762 units to the downtown ownership housing stock and two rental projects adding 110 units. Combined, these projects account to a total \$211 million in reported value, or an average of \$277,000 per unit, which is significantly greater than the value reported for suburban townhouses and condominiums.

Although interest rates are slowly rising, they are still historically low. Continued population and job growth are likely to continue fueling home ownership in the Tucson Metro Area. According to brokers and sales agents interviewed, owners of housing in high cost markets in other states, such as west and east coasts, and, in particular, California have generated some demand for Tucson ownership housing. The cost of housing in Tucson compared to these other markets is much lower and a relative bargain. People from these other states can buy Tucson housing, either

to relocate to, own as a second or seasonal home, or speculate, with their surplus equity from their other home.

**Table V-4 Downtown Tucson Residential Projects**

Project	Type	Units	Price	Value	Status
1 Court and Meyer	For Sale	5	<\$150 to \$325k	\$1.5 M	Occupied
2 Barrio Viejo Townhomes	For Sale	5	<\$150 to \$325k	\$1.5 M	Occupied
3 Franklin Court	For Sale	7	\$325+	\$2.5 M	Near Completion
4 Osborne Place	For Sale	8	<\$150k	\$2.0 M	Occupied
5 Academy Lofts	For Rent	50	\$800 to \$2,000/month	\$10.0 M	Under Construction
6 Ice House Lofts	For Sale	51	<\$150 to \$325+	\$12.0 M	Near Completion
7 Presidio Terrace	For Sale	60	\$150 to \$325+	\$16.0 M	Design
8 La Entrada Apartments	For Rent	60	N/A	\$4.6 M	Under Construction
9 The Post/Thrifty Block Lalo Guerrero Barrio Viejo	For Sale	61	\$150 to \$325+	\$22 to \$25 M	Planning & Design
10 Senior Housing	For Sale	62	<\$150k	\$4 M	Occupied
11 Armory Park Del Sol	For Sale	93	\$200 to \$325+	\$33 M	50% Complete
12 Paseo Estrella	For Sale	104	\$150 to \$200	\$18 M	Under Construction
13 Depot Plaza Mercado District of Menlo	For Sale	106	<\$150 to \$325k	\$34 M	Planning
14 Park	For Sale	200	<\$150 to \$325+	\$50 M	Planning & Design

Source: City of Tucson Planning Department

## ***Rental Market***

During the 1<sup>st</sup> quarter of 2005, the Tucson Metropolitan Area had a total of 20,604 rental units, of which, 20.6 percent are Class A units, 28.4 percent Class B, and 51.0 percent Class C. According to Realfacts, the age of the rental units ranges between 1961 and 2002, with the average age year built 1984.

Of the total rental housing stock, 51.2 percent are 1-bedroom units and 39.8 percent 2-bedroom units, as shown in Table V-5.

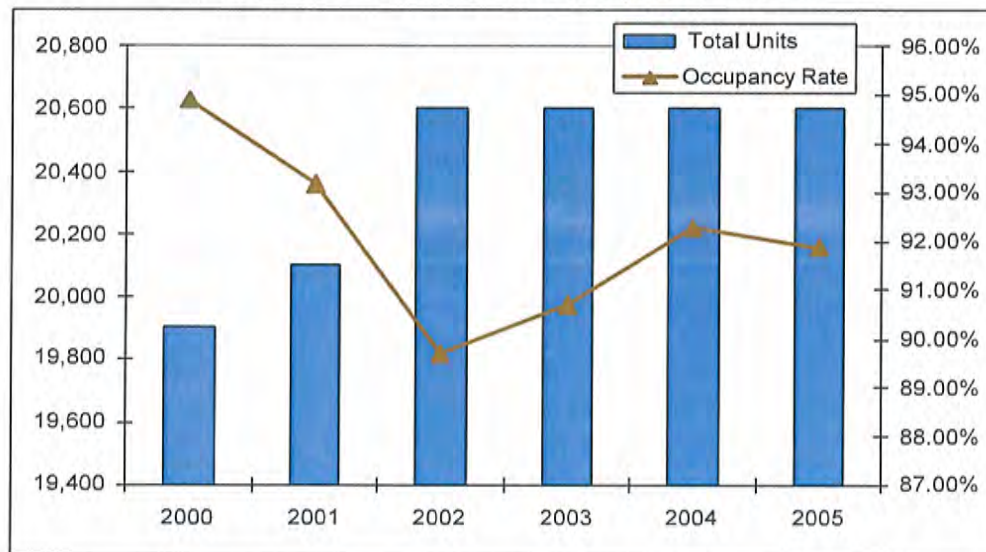
**Table V-5 1<sup>st</sup> Q2005 Tucson Metro Area Rental Market by Unit Type<sup>2</sup>**

	Units	% of Total	Avg. SF	Avg. Rent	Avg. Rent/SF/ Month
<b>Studio</b>	528	2.6%	413	\$ 416	1.01
<b>1 Br</b>	10,550	51.2%	627	\$ 536	0.85
<b>2 Br</b>	8,201	39.8%	951	\$ 716	0.75
<b>3 Br</b>	1,286	6.2%	1,164	\$ 865	0.74
<b>4 Br</b>	39	0.2%	1,299	\$ 930	0.72
<b>Total</b>	<b>20,604</b>	<b>100%</b>	<b>785</b>	<b>\$ 626</b>	<b>0.80</b>

Source: Realfacts 1Q2005 and Economics Research Associates

Exhibit V-4 shows total rental units and occupancy rates in the Tucson Metro Area between 2000 and the 1<sup>st</sup> quarter of 2005. With the addition of 200 rental units in 2001 and 500 in 2002, the occupancy rate fell, from 94.9 percent in 2000 to 93.2 percent in 2001 to 89.7 percent in 2002. Occupancy rates improved in 2003 and 2004, absorbing 206 units and 330 units respectively, but slightly fell again in the 1<sup>st</sup> quarter of 2005. Home sale increases in the Tucson Metro Area during recent years have also decreased occupancy rates in the rental market.

**Exhibit V-4 1997-2004 Occupancy Rate and Total Rental Units in Tucson Metro Area between 2000 and the 1st quarter of 2005**



Source: Realfacts 1Q2005 and Economics Research Associates

<sup>2</sup> Average SF and Rents are weighted averages of: 1b Jr, 1br, 1br-1bth, 1bd-1.5bth and 1bd TH; for 2br, 2bd-1bth, 2bd-1.5bth, 2bd-2bth and 2bd TH. For 3br, 3bd-1.5bth, 3bd-2bth and 3bd TH.



Table V-6 shows average monthly rents for the Tucson Metro Area between 2000 and the 1<sup>st</sup> quarter of 2005. Average rents include new and existing units. Rates increased the most in 2001 and 2002, years when new rental units entered the market, signaling higher rents for the new units. Rent increases have constantly remained under inflation rates, signaling affordable conditions for renters, and the need to keep rents lower than monthly ownership costs.

**Table V-6 2000 to 1Q 2005 Tucson Metro Area Rental Trends**

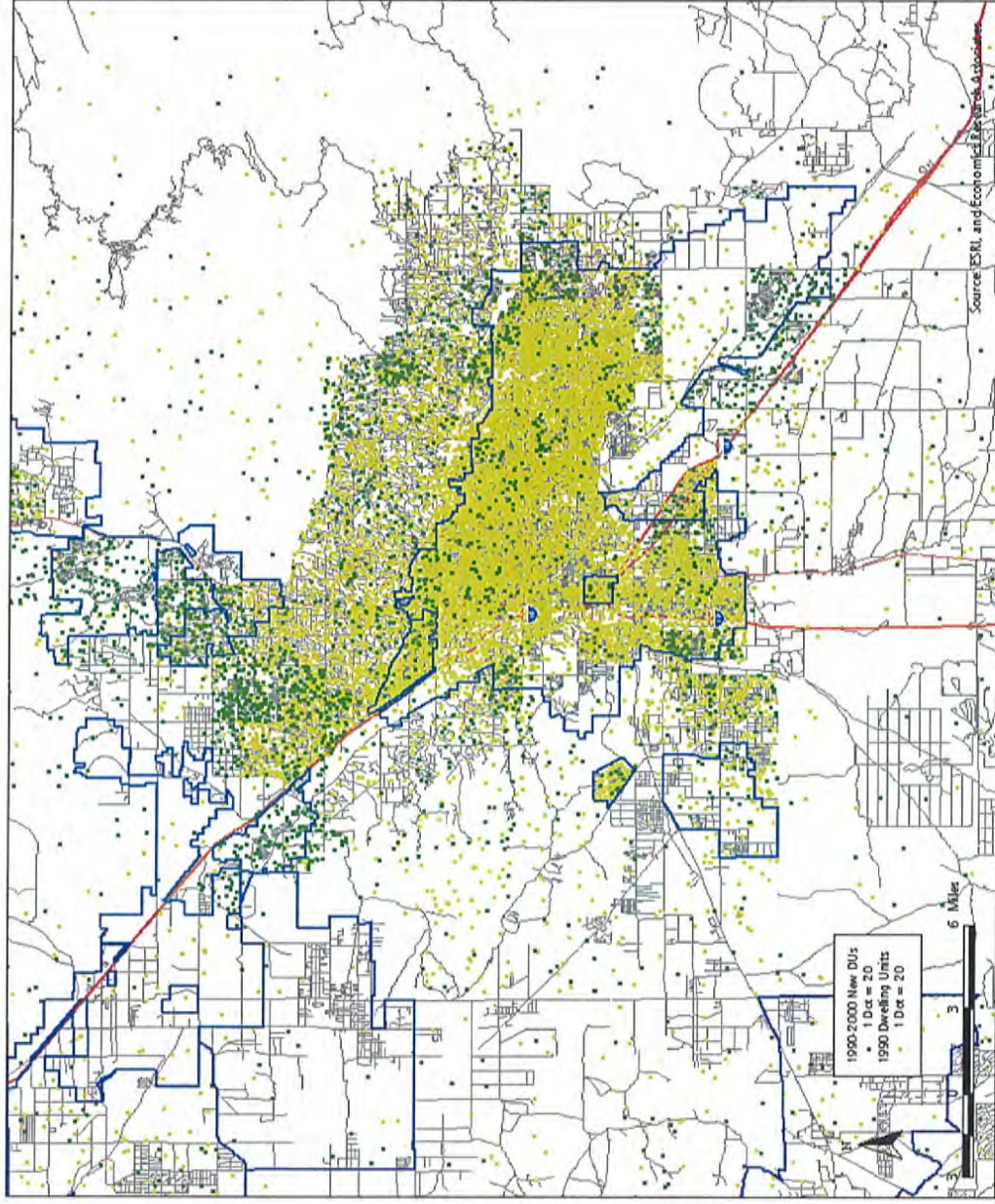
	<b>Avg. Monthly Rent</b>	<b>Numeric Change 2000- 2005</b>	<b>Percent Change 2000- 2005</b>
2000	\$568	N/A	N/A
2001	\$584	\$16	2.8%
2002	\$604	\$20	3.4%
2003	\$611	\$7	1.2%
2004	\$620	\$9	1.5%
2005	\$626	\$6	1.0%

Source: Realfacts 1Q2005 and Economics Research Associates

The Central area market, which includes downtown, tends to have older rental stock on average, typically has lower than average rents, typically 7-10 percent lower than the regional average, but also lower than average vacancy rates.

Exhibit V-5 presents a dot density overlay of dwelling units in the Tucson area during 1990 and incremental units between 1990 and 2000. The exhibit shows that the distribution of new dwelling unit growth is more scattered about the downtown, which is unlike the decades of the 1970s and 1980s, when new development concentrated almost exclusively to the northwest of downtown. The more recent development pattern suggests that downtown Tucson is regaining some of its centrality relative to the regional population, and that centrality bodes well for future downtown retail and office development.

**Exhibit V-5**  
**City of Tucson Dwelling Unit Growth 1990-2000**



## **VI. Downtown Housing Forecast**

This section presents ERA's housing forecast for Downtown Tucson.

### ***Downtown Housing Demand***

#### **Estimated Total Units Demanded**

Tables VI-1 presents projected housing demand for downtown Tucson generated from regional employment growth in five-year increments to 2020. Considering new employment generation per period, and applying the average workers per household ratio for Pima County in 2000, ERA estimated demand for housing units per period for Pima County.

To estimate household demand for downtown Tucson, ERA obtained downtown Tucson's share of total Pima County households in 1990 and 2000, 4.7 percent and 3.7 percent respectively. The decrease in share was attributable to regional household growth, except in the downtown area. ERA also considered the share of recently occupied units in downtown, which appeared to comprise less than 1 percent of regional household growth. More recently, new projects under construction or near completion represent less than 3 percent of regional household growth.

Based on City data, approximately new downtown residential units are occupied, 365 are under-construction or near completion, and 427 are in the planning and design phase, so the rate of downtown development is growing. However, assuming a two period from planning and design to construction and occupancy, the total 872 units will equal an annual absorption of approximately 218 units per year on average.

With the above information, ERA considered low, median and high scenarios. Each scenario assumes that the City and private developers position downtown Tucson to capture a share of the regional housing market in a concerted way.

Since Downtown's share of Pima County households decreased considerably in 2000 compared to 1990, as households in downtown remained the same while they grew in Pima County, continuance of historical trends and conditions would lead to very limited growth, below the low scenario estimated here. The almost 900 units recently occupied, currently under-construction, or planned is encouraging that past trends are changing.

**Table VI-1 Projected Downtown Tucson Housing Demand Potential  
2005-2020**

	2000	2005	2010	2015	2020
<b>Pima County Employment Forecast</b>	350,600	390,300	430,000	483,200	536,400
Total Increase in Employment by Period		39,700	39,700	53,200	53,200
Average Workers Per Household		1.12	1.12	1.12	1.12
Pima County Households Generated		<b>35,446</b>	<b>35,446</b>	<b>47,500</b>	<b>47,500</b>
<b><u>Downtown Capture of Pima County HH</u></b>					
Low Scenario			2.5%	3.0%	3.5%
Moderate Scenario			3.0%	3.5%	4.0%
High Scenario			4.0%	4.5%	5.0%
<b><u>New Downtown Tucson Households</u></b>					
Low Scenario			886	1,425	1,663
Moderate Scenario			1,063	1,663	1,900
High Scenario			1,418	2,138	2,375
<b>Seasonal/Non-Wage Income HH Factor</b>			1.05	1.1	1.15
<b><u>New Downtown Tucson Households</u></b>					
Low Scenario			930	1,568	1,912
Moderate Scenario			1,117	1,829	2,185
High Scenario			1,489	2,351	2,731
<b><u>Housing Demand @ 95% Occupancy</u></b>					
Low Scenario			979	1,650	2,013
Moderate Scenario			1,175	1,925	2,300
High Scenario			1,567	2,475	2,875
<b><u>Cumulative New Downtown Tucson HH</u></b>					
Low Scenario			1,031	2,681	4,693
Moderate Scenario			1,237	3,162	5,462
High Scenario			1,650	4,125	7,000

Source: Economics Research Associates



A factor was added to account for potential new housing demand from second home buyers and people with non-wage incomes, such as retirees moving to the region, students supported by family income, and people on transfer payments.

The low scenario assumes that downtown begins to capture a share of regional demand, reaching downtown Tucson's year 2000 share of countywide households by 2020. The high scenario assumes Downtown's market share exceed its year 2000 share of countywide households. The medium scenario falls between these two, with a market share increasing, exceeding its year 2000 share of countywide households shortly after 2015. For all scenarios, ERA assumed downtown Tucson's capture rate will grow over time as the downtown housing market matures.

Under these assumptions, ERA estimates that downtown Tucson may add from 4,700 to over 7,000 new housing units from 2005 to 2020, for over 310 to almost 470 units per year on average. This rate would equal approximately 11-16 percent of the City of Tucson's average annual residential permits.

## **Tenure**

Of this amount, 50-70 percent of the new housing stock should be ownership housing, depending on mortgage interest rate trends. In the near-term, if interest rates remain relatively low, ownership housing should dominate the market and generate greater value. This ratio of ownership housing is significantly greater than downtown Tucson's current 40 percent homeowner ratio, but even with the addition of almost 8,500 housing units, of which 70 percent are owner-occupied, the ownership rate in downtown Tucson would be about 50 percent, still below but approaching the citywide ownership rate and still well below the countywide ownership rate.

The opportunity for ownership housing in the near term is greater in the downtown neighborhoods than in the CBD. Given that the CBD might be considered more risky because of its limited residential development, particularly for ownership housing, and caution given the state of commercial retail development there, lack of activity after work hours, and security concerns, CBD development in the near term may have to lead with luxury rental units, perhaps built to condominium standards for future conversion.

## **Age and Income**

According to population forecasts, the proportion of regional population in selected age groupings are projected to change as shown below:

Year	20-34 years	35-54 years	55-74 years	75+ years
2005	21%	27%	17%	8%
2015	21%	24%	22%	8%
2025	20%	22%	23%	10%

Relative to 2005, the young adult population has a relatively stable share of population, while the middle-aged cohorts' share is expected to decline, and the pre-retiree/retiree is expected to grow significantly. The young adult and pre-retiree/retiree age cohorts are mostly associated with higher density urban housing because they tend to have fewer children per household. However, the middle-aged population is still important, particularly those without children.

Given these demographic trends, it is anticipated that the support for downtown housing should continue to rely on young adults, which are stable proportionately, and, increasingly, on empty nesters and retirees as these segments grow significantly. The middle-aged population will be important, because of their buying power, but their share of the downtown market may soften overtime as their numbers decrease proportionately.

## ***Type of Housing***

### **Residual Value Analysis**

A preliminary and simple residual land value analysis was conducted of two hypothetical scenarios to test the potential financial feasibility of urban housing. The first scenario is a hypothetical low-rise wood-frame housing project built on a platform with parking half-level below and half-level above grade utilizing natural ventilation. The second scenario is a hypothetical high-rise, underground parking project. Development costs for both scenarios were based on RS Means data for the Tucson region, while sales price per square foot data was obtained from ERA Realty, which provided Tucson MLS comps for the downtown area. The low-rise scenario provides residual land values estimated at \$24.4 per square foot of land area, while the high-rise scenario estimates residual land values at \$44.0 per square foot. These values exceed the reported price of land in most areas of downtown neighborhoods, though not necessarily the price of properties with improvements that must be purchased and properties in the higher-value commercial core. This analysis is presented in Appendix B. The preliminary results indicate that new downtown housing could be financially feasible under the right cost and revenue conditions for these typical types of products.

## Suggested Housing Types

Recognizing that downtown Tucson includes the neighborhoods adjacent to the central business district, ERA recommends the following housing types for the downtown area:

- 3 to 6 story multi-family condominiums and rental apartments with common amenities and “tuck-under” parking;
- Multi-family for-sale housing with subterranean parking when financially feasible by sales prices and land costs;
- Loft development, either as adaptive re-use, new construction, and/or live-work space;
- Townhouses in selected infill sites in surrounding neighborhoods;
- Limited number of high-rise towers within the CBD targeted to retirees, empty-nesters, and professionals seeking secure buildings with views and amenities;
- Affordable low and moderate-income housing.
- Mixed-use development where warranted;

ERA believes that townhouses, tuck-under parking condominiums and lofts would be the most appealing for downtown, given Tucson’s moderate-income economy.

## **VII. Case Studies**

The two case studies presented below – Albuquerque and San Diego – were chosen because of each city’s ability to create a downtown housing market from a limited pre-existing market, within a southwestern, sunbelt city context, and the lessons they offer about organizing public/private partnerships to create their new markets.

### ***Downtown Albuquerque***

Founded in 1706 by the Spanish, Albuquerque is the largest city in the State of New Mexico. In 2000, there were 448,600 residents in the city and 750,000 in its metropolitan area.

Albuquerque’s downtown declined during the 1950’s and 1960’s, with the population moving out to new communities in the outskirts of the city. Auto accessibility was a contributing factor to this trend. Recreation and shopping activities shifted to the suburbs, substantially decreasing downtown’s share of the city’s retail supply.

As was the case with many cities in the United States, downtown Albuquerque emptied after 5.00 pm everyday, with few after-hour activities.

### **Early Redevelopment Efforts**

The first attempt to revitalize the downtown area started with a \$28 million federal fund for the Tijeras Urban Renewal Project. The Civic Plaza, Police Station, Convention Center, Regent Hotel, United New Mexico Bank and First Plaza were a direct result of this effort. The Tijeras Project successfully increased property taxes in the area.

To continue the revitalization trend in the downtown area, local interest groups needed new sources of revenue, as federal funds had been exhausted. In the mid-1970’s, The Metropolitan Redevelopment Act (MRA) enabled the Albuquerque Center Incorporated (ACI) to organize and provide a framework for new sources of funding for the downtown area. The City of Albuquerque, Bernalillo County, and the private sector partnered to form ACI.

The MRA allowed the creation of privately financed bonds with the incentives of municipal bonds. The bonds offered qualified investors competitive interest rates and tax exemptions for ten years. These incentives attracted enough money to redevelop entire downtown sections, balancing construction of new buildings, revitalizing old buildings, re-incorporating retail, and high-density housing.

Several buildings were renovated during this period, including the Old First National Bank Building, the Wool Warehouse Dinner Theater, Cooper Square, and Rosenwald Building, among



others. New office buildings added during the second phase included Sunwest Bank, Albuquerque Bell Telephone Company, and Federal Credit Union. In addition, a high-density residential complex was built on Silver Street.

The third phase of Albuquerque's redevelopment efforts included a higher degree of public outreach, focusing on creating a sense of place for the downtown area that would attract outside visitors as well as local residents. In the early 1990's, additional hotel space, bars, nightclubs and restaurants were built to cater to the after-hours crowd. The Convention Center expansion was also built during this period.

Besides new buildings in downtown Albuquerque, including the Federal Courthouse, First State Bank, and the Civic Plaza Renovation, several public art projects have increased the vitality and attractiveness of the downtown area. These projects were mainly the result of effective collaboration between public and private entities, including the local merchants' organization, known as Downtown City Center Council.

## **Recent Redevelopment Efforts**

These previous efforts created some important public buildings and a few private buildings in downtown, but sustained private investment did not follow in a major way – an organization was needed to stimulate private investment. By 1998, downtown had 25,000 jobs in the finance and utility sectors, professional services and government, (a 20 percent drop over the previous twenty years in a metro area that was growing), but little housing and retail services.

In 1998, local civic and business leaders formed the nonprofit Downtown Action Team (DAT) organization to create a community-wide strategy and implementation plan for the downtown area. Despite past efforts, downtown still contained many underutilized lots with surface parking and empty storefronts, with little vibrancy after working hours. At that time, no major private sector building permit had been issued in prior 15 years, despite all of the public sector investment.

In 2001, the Historic District Improvement Company (HDIC), led by Christopher Leinberger, was formed to demonstrate to private investors and developers that private development in downtown Albuquerque was feasible. HDIC is a partnership of McCune Charitable Foundation of Santa Fe, New Mexico and Arcadia Land Company, a New Urbanist development company that built one of the first and most renowned communities employing New Urbanism principles – Seaside, Florida. McCune Charitable Foundation, the largest foundation based in New Mexico, and a supporter of "Smart Growth," invested \$6 million of equity, or 4 percent of its asset base, to form HDIC.

A focus of HDIC's development was a six-block redevelopment district on primarily surface parking lots that the City owned since the 1960s. The initial catalytic development was the 110,000 square foot, \$20 million Century theater block, with a 14-screen movie theater, specialty retail and office space. A second project included the adaptive re-use of an old 53,000 square foot building, the Crossroads, at the historic intersection of Route 66 and the 16<sup>th</sup>-century Spanish Royal Road, into a cluster of specialty shops, restaurants, and pubs

The City and HDIC became investment partners. The City invested \$12 million in the form of land, parking structures, infrastructure, and tax abatements. HDIC agreed to pay the city 25 percent of HDIC's cash flows in years 6-11 and 50 percent from year 25 until 125 percent of the initial investment is returned or year 20, whichever comes first. The City also estimated that it might receive approximately \$30 million in net tax revenues from the site's redevelopment over a twenty-year period, plus the induced tax benefits on surrounding sites.

HDIC, which is taking a long-view for its returns, will receive 100 percent of the cash flow during the first five years, most of which is dispersed to conventional real estate investors with shorter-term return requirements, then 75 percent during years 6-11, 50 percent from years 12 through 20, and 100 percent from year 21 on.

These investments have started to create a market for downtown housing. They helped create a walkable, mixed-use, culturally diverse environment that is convenient. This new environment is beginning to find a market that was not being served in the sprawling Albuquerque metro area. They have also inspired other new urban developers, such as Paradigm & Company, to revive an area called Edo (East Downtown) and to convert Albuquerque High School into 54 loft apartments. Other housing projects include HDIC's \$15 million, 80,000 square foot Gold Avenue lofts, with 32 condominium lofts, office condos, and retail space, a 109-unit luxury apartment complex, and a planned supermarket on a old Greyhound Bus terminal site into a supermarket, with 200 to 250 mixed-income residential units. The first 220 new residential units in the area were developed in 2001 at rates approximately 20 percent above the highest rates in the city at that time. Rents and home prices have risen ever since. In 2003, Downtown rents were from \$1.04 to \$1.15 per square foot, compared to top rates of \$0.87 per square foot in the city. For-sale lofts were selling for \$232 per square foot, twice the highest rates in Albuquerque at the time.

While there has been some commercial success, the housing market is still in the process of proving itself, with some for-sale projects selling at slower than anticipated absorption rates.

## **Related Actions**

A key ingredient in downtown's transformation and attraction of private investment was a dramatic change in the zoning code. The new code, called Downtown 2010, streamlined the

development process, allowing for zoning approval in a day, building permit approval in three weeks, administratively, and flexibility for height and density.

Other supporting actions included a free downtown trolley route, \$25 million of new parking garages, a new transit center, a business improvement district, street conversions, and new public buildings.

To address gentrification, an important concern among existing low-income residents, the Albuquerque Civic Trust was organized that uses fees paid by the market-rate private investment to help provide and preserve affordable housing, commercial space, and public space downtown.

Downtown's revitalization, combined with other initiatives, have inspired regional "Smart Growth" efforts, that, in turn, will help support future downtown housing development. In 2003, the Albuquerque Alliance for Active Living with the 1,000 Friends of New Mexico, with a \$200,000 grant from the Robert Wood Johnson Foundation, formed to lobby for land use policies that encourage future growth towards Albuquerque, including urban infill in its downtown, and away from sprawl, in an integrated and pedestrian-oriented fashion that efficiently utilizes existing infrastructure and charges development in areas without infrastructure the full marginal cost of development, through impact fees. Some of the active developers of downtown Albuquerque, including the Historic District Improvement Corporation and Arcadia Land Company are members of the Alliance.

Since 1998, Downtown Albuquerque has received more than \$450 million in public and private investment, which is in the process of transforming even more Albuquerque's downtown.

## ***Downtown San Diego***

### **Beginnings**

In the late 1960s, as suburban San Diego flourished, the downtown area had experienced severe decline. Downtown properties could not generate enough revenue to cover basic city services such as fire and police protection.

In 1972, the city's mayor, Pete Wilson, created an aggressive program for revitalizing downtown and alleviating its economic and physical blight. He sought to bring retail and commercial businesses back downtown to create a strong job base. He also wanted to make downtown more attractive to residents and create a regional hub of government.

Through the use of California's Community Redevelopment Law, in 1975, Wilson and the San Diego City Council created the Centre City Development Corporation (CCDC), a public non-

profit corporation acting on behalf of the City and the Redevelopment Agency. CCDC was charged with developing a livable and vibrant downtown community by facilitating public-private partnerships, engaging in strategic planning and urban design, acquiring property, and implementing relocation programs. In addition, the corporation was responsible for public improvements and public financing for downtown projects.

CCDC began with four redevelopment projects totaling 325 acres: Horton Plaza, the Marina, Columbia, and the Gaslamp Quarter. With the adoption of the Centre City Redevelopment Project in 1992, CCDC's area of responsibility was expanded to include nearly all of the 1,500 acres within downtown San Diego.

### **Project Area Formation and Tax Increment**

The creation of a redevelopment project area requires a detailed evaluation, which is a lengthy process involving numerous public hearings in accordance with State law. A determination and designation of blight must be found for the area and a plan developed. The plan adopted for an area by the redevelopment agency must be consistent with the City of San Diego's General Plan and must outline specific purposes and objectives. Once a project area has been designated, CCDC then negotiates and monitors developments coming online, acquires and sells land within the area, provides public improvements, and organizes relocation programs. Additionally, CCDC is involved with strategic planning and urban design for downtown through initiating projects, reviewing development proposals, developing financial programs, and assisting developers in the assembly sites for all types of development, including low- and moderate-income housing projects.

CCDC and its Board are also primarily responsible for reviewing and approving projects that comply with the adopted Downtown Community Plan. A master Environment Impact Report (EIR) is certified with the adopted Downtown Community Plan, relieving developments that comply from having to prepare full environmental impact reports. If a plan amendment is proposed, however, the process goes through the more conventional city approval and environmental review processes, including the Planning Commission and City Council.

This project review and approval system significantly expedites project approval and reduces carrying costs for developers, which attracts capital to downtown. Developers also have a strong incentive to comply with the adopted community plan which provides all property owners, agencies, and the public relatively more certainty.

The major financial instrument of CCDC is tax increment financing. Once a redevelopment project is adopted, the assessed valuation of property within the project's boundaries determines the base year value. The difference between that value and the higher value after all properties' improvements within the district after the base year is the tax increment. Tax increment funds are used to finance public improvements, write-down land costs, and other public purposes. As



required by State Law, a minimum of 20 percent of tax increment is set-aside for low and moderate-income housing.

## The Evolution of Housing

CCDC initially concentrated its housing development within the Marina Redevelopment Project Area. The first major housing developments downtown in the 1980s were subsidized by writing down land costs, and ranged from a townhouse planned unit development (PUD), condominium flats, to a high-rise luxury condominium tower. The developments were relatively limited and were inward focused complexes, accessible through secure common entrances, with no or few units directly accessible to the street. Most projects that were not high-rises provided their parking on one-level built a half-level below and a half-level above grade, with natural ventilation.

Horton Plaza, an open-air and fanciful regional shopping center that was more integrated with the downtown fabric was built in the late 1980s. This development generated new enthusiasm for downtown, and began to attract suburban consumers to downtown for shopping. Private property owners were slowly rejuvenating the historic Gaslamp Quarter, but this did not lead to a significant amount of new housing other than single-room occupancy developments. The San Diego Convention Center was developed in the early 1990s, which, combined with Horton Plaza and the residential neighborhood that developed in the Marina District, helped accelerate the Gaslamp Quarter's revitalization.

The recession of the early-1990s brought downtown housing development to a virtual halt. The most recent developments that opened just as the recession emerged fell in value. CCDC continued with planning and implementing public improvements, such as the Martin Luther King Promenade linear park and urban design improvements to Broadway to help prepare downtown for new development. Eventually, the recession began to subside by the mid-1990s, but property owners and developers were still cautious. Jonathon Segal, an architect-developer, saw an opportunity with remnant lots within the Marina District that were too small or constrained to interest the larger merchant builders. He developed the first small-scale walk-ups and flats on these sites that directly accessed and related to the street scene. His developments were successful and proved that there was a demand for smaller scale urban housing and walk-ups.

During the mid-1990s, CCDC wanted more housing to develop, but was frustrated that property owners were not responding. In a major move, CCDC issued an umbrella developer request-for-proposals (RFP) that for nine properties. While CCDC encourage property owners to joint venture with experienced developers and enter into owner-participation agreements with the Agency, CCDC was willing to use its eminent domain powers to initiate development on specific parcels. CCDC also retained the right to mix and match developer proposals with specific parcels.

This action, combined with the preparation of a master EIR to expedite the development approval process, energized the downtown housing market. BOSA Development, from Vancouver, B.C., saw an opportunity with high-rise luxury condominiums with Pacific Ocean views that few local developers were willing to risk after having experienced the recession of the early 1990s and the notable devaluation of one tower. Their success inspired other major development companies, such as Forest City Enterprises, local developers, and new small development companies formed specifically to build urban housing.

In addition, CCDC invested in public facilities and services that would help support and downtown housing environment. One notable project that the CCDC helped subsidize was the development of Ralph's supermarket within the heart of downtown. Built with a brick façade and underground parking, across the street from Horton Plaza, the Ralph's demonstrated to the market that downtown San Diego was a serious residential neighborhood, with services, and not just a cluster of individual developments.

Other districts have since emerged as residential sub-districts of downtown, such as Harbor View/Little Italy, East Village and the Ballpark District, Cortez Hill, infill development within the Gaslamp Quarter, and other blocks. CCDC has not had to subsidize residential development, except for affordable low and moderate-income housing, in years. As activity has increased, so have density and land values.

## **Results**

After 26 years of work, CCDC has invested \$410 million public dollars to leverage \$2.4 billion in private developments. Taxes on sales, hotel rooms, and properties have increased more than \$48 million annually. More than 6,000 permanent jobs and 16,000 construction jobs were created. Today more than 20,000 people live downtown. The public-private efforts led by CCDC have resulted in 5,210 new housing units, 5.7 million square feet of Class A office space and 4,555 new hotel rooms. Numerous structures throughout downtown were dramatically rehabilitated many within the Gaslamp Quarter Historic District.

By 2025, commercial and residential development is expected to accommodate 50,000 residents and 150,000 jobs. CCDC is working to create another 25,560 housing units, 14.4 million square feet of office space and 1.5 million square feet for service, entertainment, and retail uses. More neighborhood parks as well as improvements to infrastructure and open spaces are also in the works.

## **The Residential Vision for Downtown**

The commitment to downtown housing was not accidental. In the late 1980s-early 1990s, the mayor formed a downtown visionary committee led by Ernie Hahn, founder of the Hahn

Company, one of the largest regional shopping center developer/owners in the United States, the developer of Horton Plaza, and a San Diego resident, to develop a downtown strategy. They concluded that downtown San Diego, due to its proximity to Los Angeles, would not be a major financial center (especially after the collapse of the Savings & Loan industry) or corporate headquarters center. While downtown would be a regional government, financial, and professional center, it has a unique opportunity to become a major tourism and residential center, because of its location on the bay and the Pacific Ocean, its proximity to Balboa Park, its central location in the region, and its investment in tourism infrastructure. The investment in tourism and residential infrastructure and amenities reinforce each other since they aim to create attractive places for people.

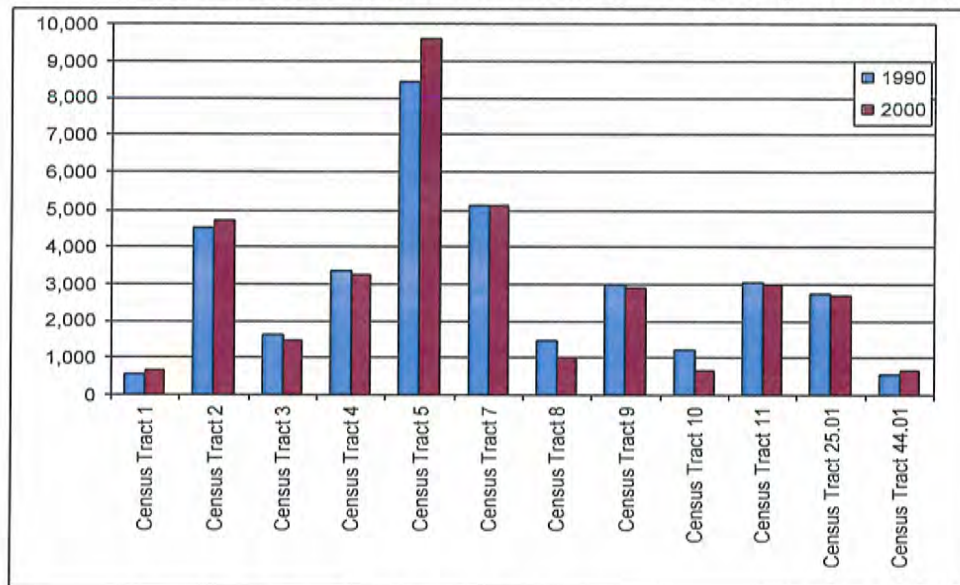
On a regional level, in the late 1990s-early 2000s, the City updated the vision element of its General Plan and adopted the Strategic Framework Plan, otherwise known as the "City of Villages Plan". This policy document, in concert with the regional growth management plan, placed emphasis on creating walkable, mixed-use districts served by transit, and identified downtown San Diego as the major center of the region appropriate for the highest density residential development. Downtown San Diego was also one of the few communities in the City where the introduction of higher density was not controversial.

Other private organizations support downtown housing, including Citizens Coordinate for Century 3 (San Diego's oldest planning advocacy organization), the Council for Design Professionals, San Diegans Inc., the San Diego Downtown Partnership, the district council of the Urban Land Institute, the local chapters of AIA, APA, and ASLA, the downtown Business Improvement Districts and merchants associations, East Village Association, Sierra Club, the Chamber of Commerce, an association of downtown developers, etc. This policy support from a regional and community perspective brings strength to public and private downtown housing efforts.

## **Appendix A – Demographic Context Exhibits**

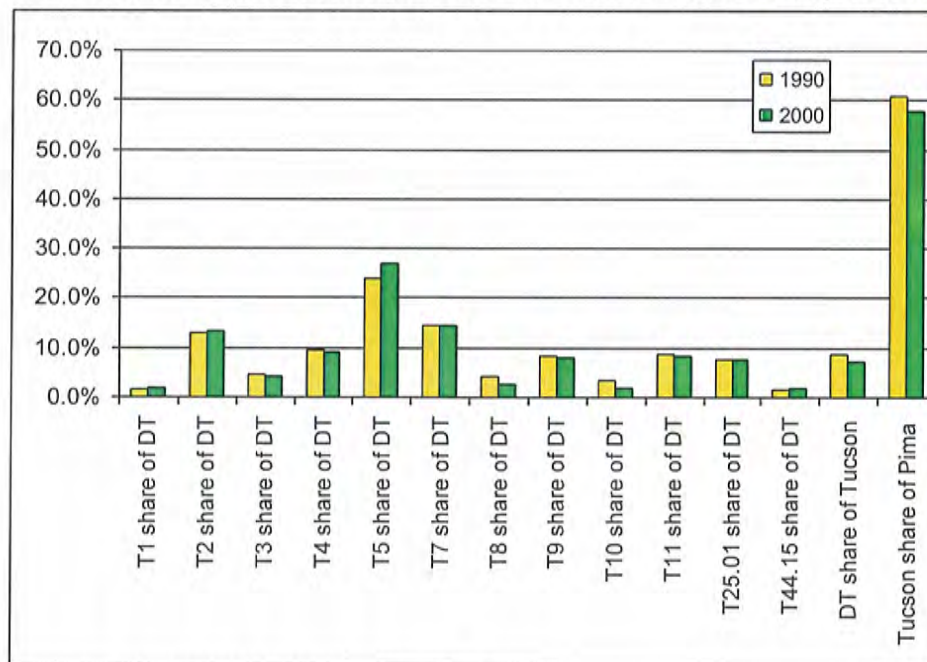


**Exhibit A-1 1990 and 2000 Population in Downtown Tucson by Census Tracts**



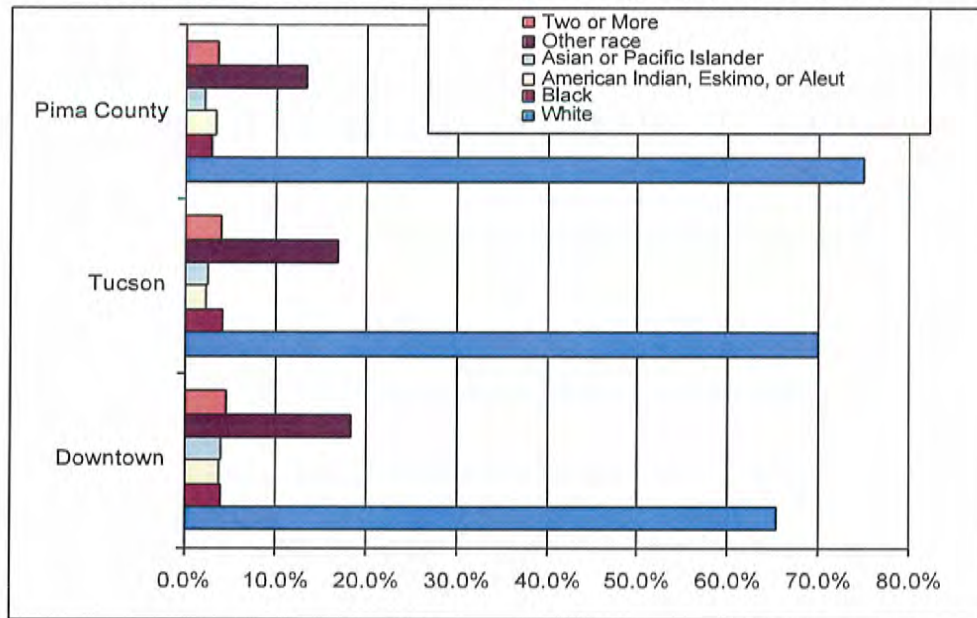
Source: 1990 and 2000 U.S. Population Census

**Exhibit A-2 1990 and 2000 Census Tracts Share of Downtown Tucson, Downtown Share of City of Tucson and City of Tucson Share of Pima County Population**



Source: 1990 and 2000 U.S. Population Census

**Exhibit A-3: 2000 Downtown, City, County Population By Race**



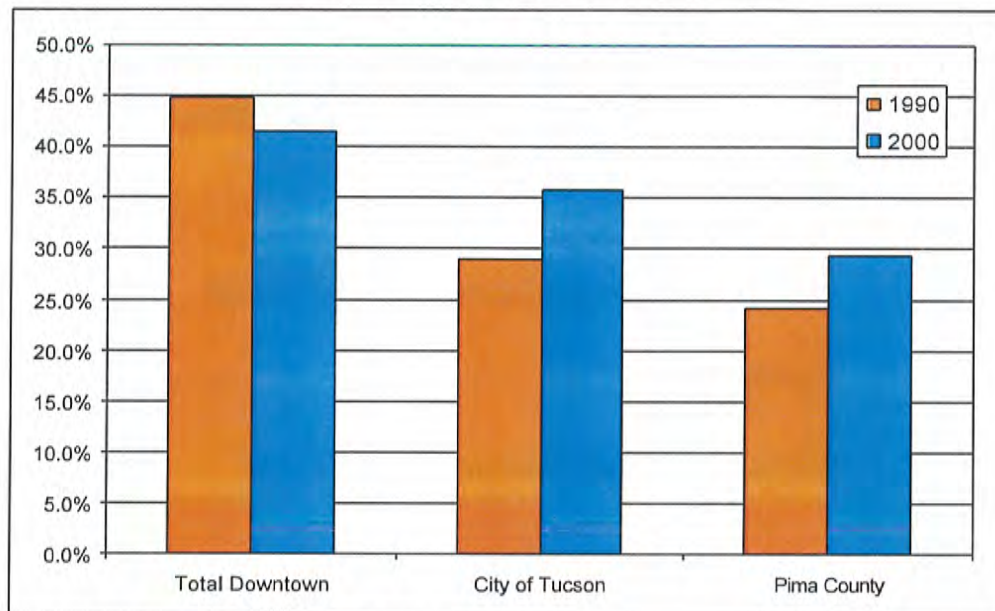
Source: 2000 U.S. Population Census

**Table A-1 1990 and 2000 Downtown Tucson, City of Tucson and Pima County Hispanic and Non-Hispanic Population**

	1990		2000		1990-2000 % Change	
	Hispanic Origin	Non Hispanic	Hispanic Origin	Non Hispanic	Hispanic Origin	Non Hispanic
Total Downtown	15,968	19,590	14,845	20,746	-7.0%	5.9%
City of Tucson	117,267	288,123	174,354	312,237	48.7%	8.4%
Pima County	161,053	505,827	247,861	595,885	53.9%	17.8%

Source: 1990 and 2000 U.S. Population Census

**Exhibit A-4 1990 and 2000 Hispanic Share of Downtown Tucson, City of Tucson and Pima County Population**



Source: 1990 and 2000 U.S. Population Census

**Table A-2 Downtown Tucson, City of Tucson and Pima County 1990 and 2000 Share of Total Population by Age Group**

Age Groups (Years)	Downtown Tucson		City of Tucson		Pima County	
	1990	2000	1990	2000	1990	2000
<b>Total Pop</b>	35,558	35,591	405,390	486,591	666,880	843,746
0-9	11.7%	9.3%	14.4%	14.3%	14.3%	13.7%
10-19	20.3%	22.9%	14.0%	14.2%	13.9%	14.1%
20-34	35.6%	32.3%	29.2%	25.4%	25.4%	20.9%
35-54	17.4%	21.7%	22.2%	27.0%	24.3%	28.4%
55-64	5.4%	4.8%	7.5%	7.2%	8.3%	8.7%
65-74	5.4%	4.8%	7.3%	6.0%	8.3%	7.5%
75+	4.2%	4.3%	5.3%	5.9%	5.4%	6.7%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: 1990 and 2000 U.S. Population Census

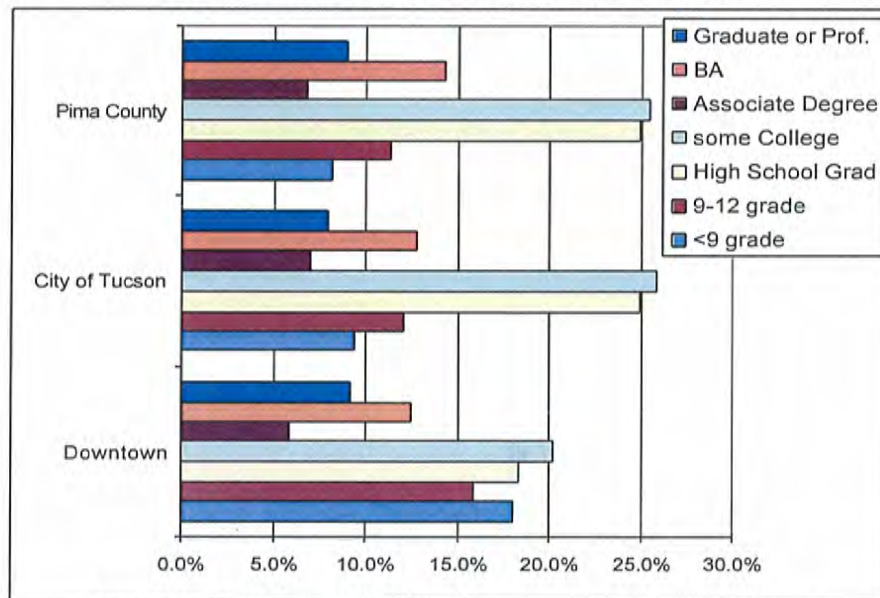


**Table A-3 1990 and 2000 Population by Age Group for Downtown Tucson, City of Tucson and Pima County**

Age Groups (Years)	Downtown Tucson			City of Tucson			Pima County		
	1990	2000	% Change	1990	2000	% Change	1990	2000	% Change
<b>Total Pop</b>	35,558	35,591	0.1%	405,390	486,591	20.0%	666,880	843,746	26.5%
0 to 9	4,177	3,295	-21.1%	58,572	69,380	18.5%	95,541	115,496	20.9%
10 to 19	7,205	8,160	13.3%	56,754	69,047	21.7%	92,929	118,784	27.8%
20 to 34	12,662	11,481	-9.3%	118,464	123,356	4.1%	169,291	176,625	4.3%
35 to 54	6,178	7,740	25.3%	90,111	131,516	45.9%	162,196	239,772	47.8%
55 to 64	1,912	1,698	-11.2%	30,299	35,077	15.8%	55,666	73,402	31.9%
65 to 74	1,922	1,691	-12.0%	29,505	29,309	-0.7%	55,167	63,103	14.4%
75+	1,502	1,526	1.6%	21,685	28,906	33.3%	36,090	56,564	56.7%

Source: 1990 and 2000 U.S. Population Census

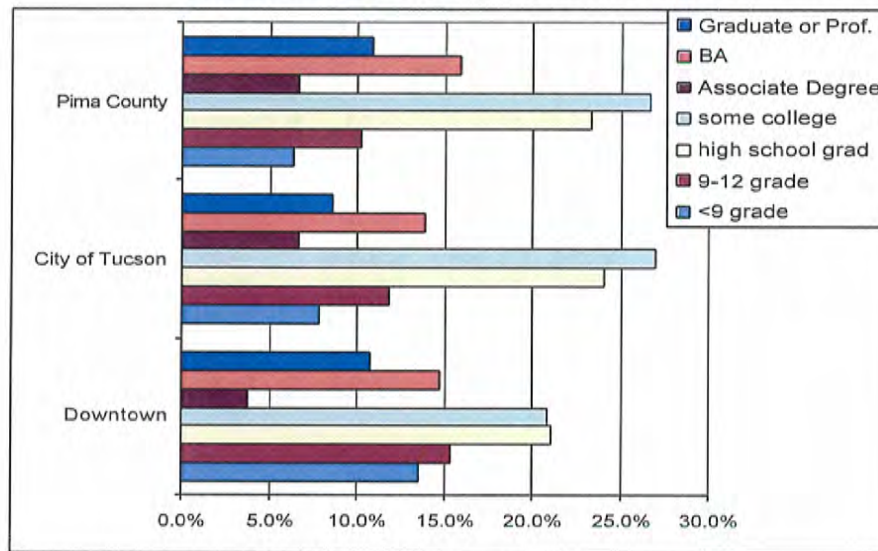
**Exhibit A-5 1990 Educational Attainment by Share of 25+ Population for Downtown Tucson, City of Tucson and Pima County**



Source: 1990 U.S. Population Census

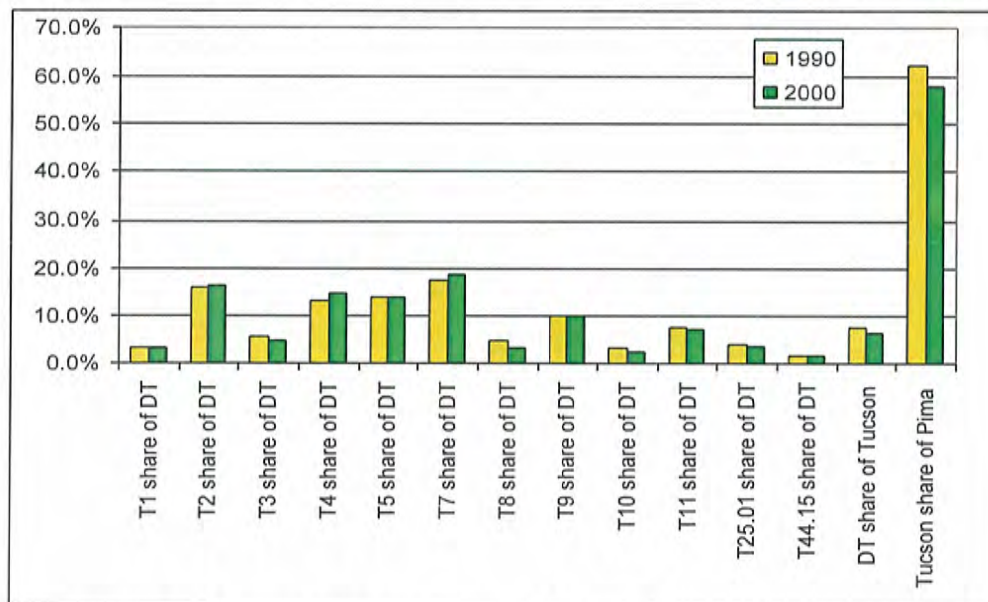


**Exhibit A-6 2000 Educational Attainment by Share of 25+ Population for Downtown Tucson, City of Tucson and Pima County**



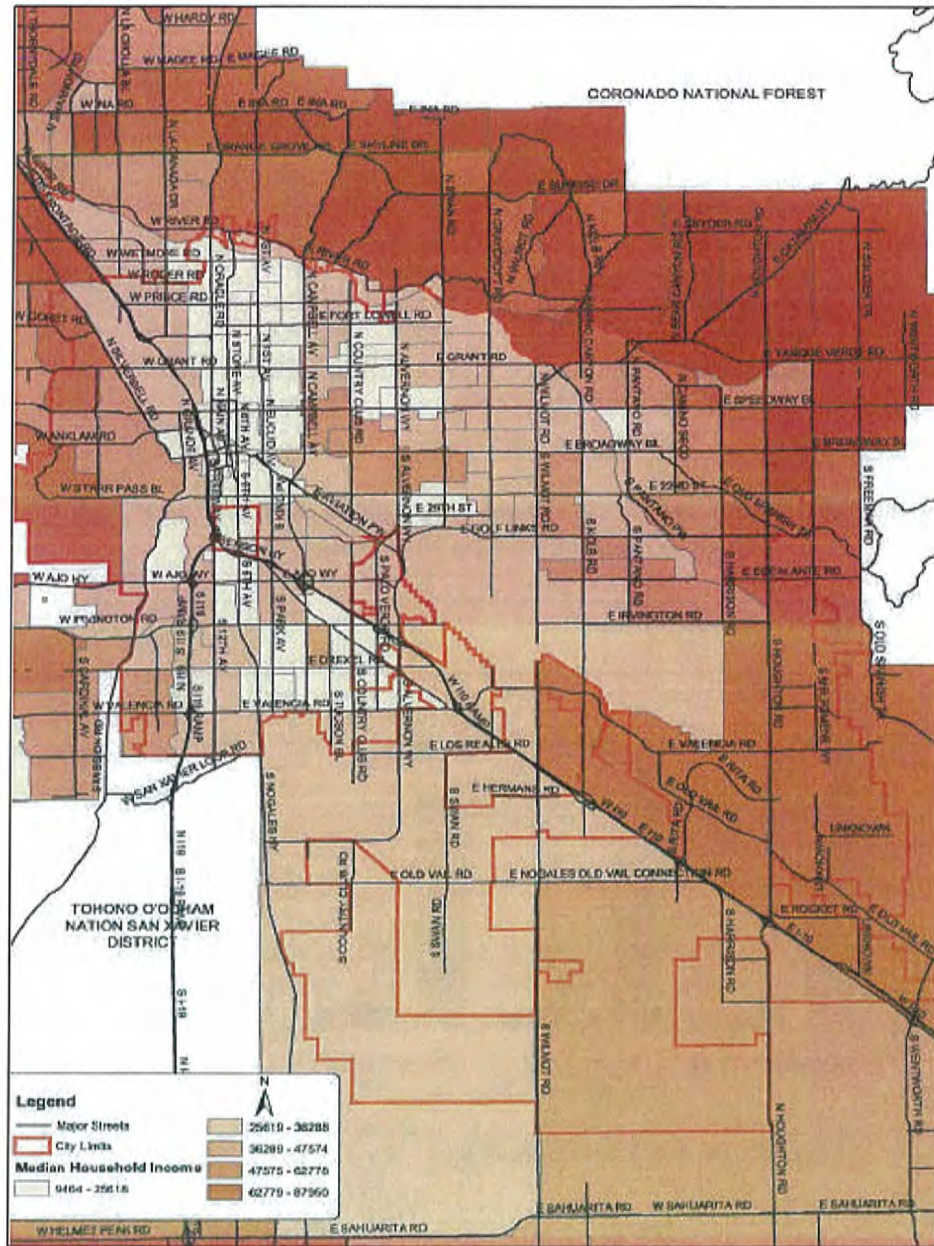
Source: 1990 and 2000 U.S. Population Census

**Exhibit A-7 1990 and 2000 Census Tracts Share of Downtown Tucson, Downtown Share of City of Tucson and City of Tucson Share of Pima County Households**



Source: 1990 and 2000 U.S. Population Census

# Exhibit A-8 City of Tucson 2000 Median Household Income Distribution by Census Tract



Source: City of Tucson and Economics Research Associates

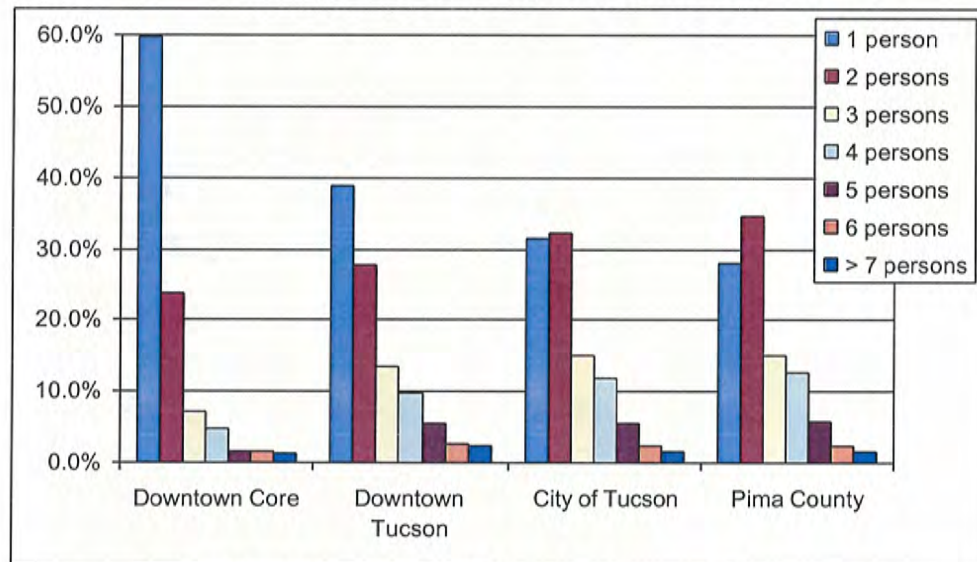


**Table A-4 1990-2000 Change in Households for Downtown Census Tracts**

Downtown Census Tracts	1990	2000	Change
Census Tract 1	403	406	3
Census Tract 2	1,967	1,998	31
Census Tract 3	687	594	(93)
Census Tract 4	1,603	1,767	164
Census Tract 5	1,701	1,665	(36)
Census Tract 7	2,149	2,286	137
Census Tract 8	628	369	(259)
Census Tract 9	1,216	1,219	3
Census Tract 10	380	301	(79)
Census Tract 11	911	852	(59)
Census Tract 25.01	470	442	(28)
Census Tract 44.01	213	235	22

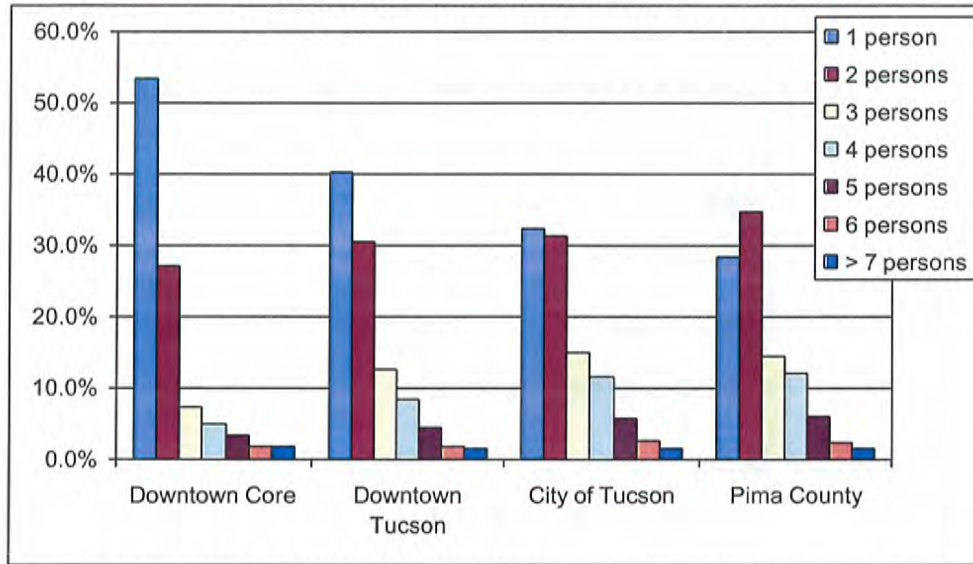
Source: 1990 and 2000 US Census

**Exhibit A-9 1990 Downtown Core, Downtown Tucson, City of Tucson and Pima County Households by Household Size**



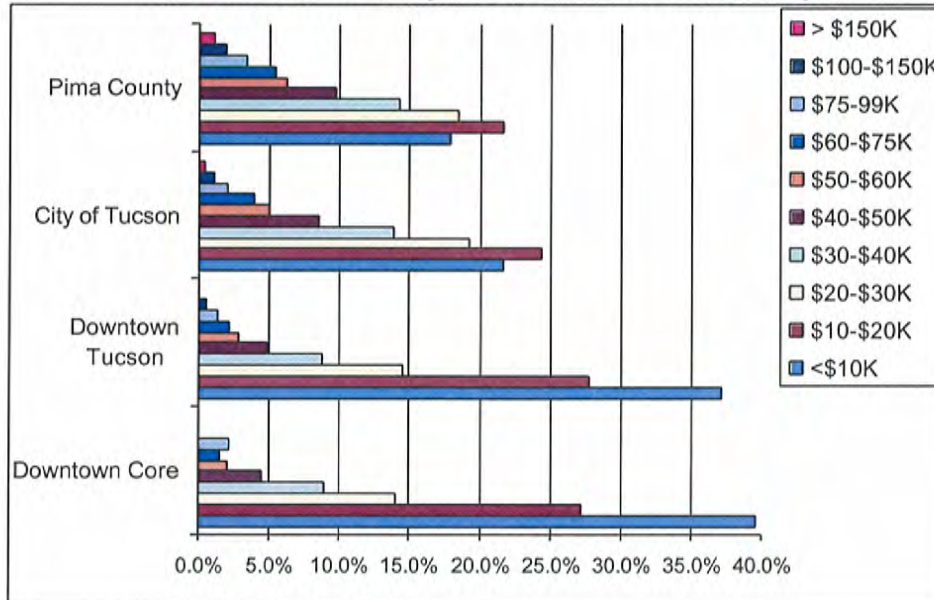
Source: 1990 and 2000 U.S. Population Census

**Exhibit A-10 2000 Downtown Core, Downtown Tucson, City of Tucson and Pima County Households by Household Size**



Source: 1990 and 2000 U.S. Population Census

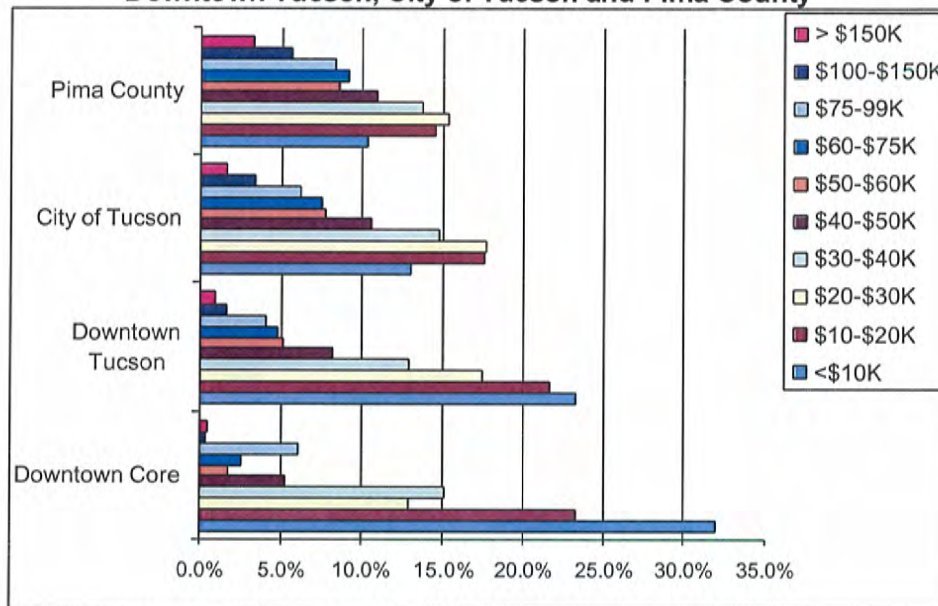
**Exhibit A-11 1990 Household Share by Income Category for the Downtown Core, Downtown Tucson, City of Tucson and Pima County**



Source: 1990 and 2000 U.S. Population Census



**Exhibit A-12: 2000 Households Share by Income Category for the Downtown Core, Downtown Tucson, City of Tucson and Pima County**



Source: 2000 U.S. Population Census

## **Appendix B – Residual Value Tables**

**A-1 DOWNTOWN TUCSON HOUSING PROTOTYPE  
LOW-RISE/TUCK-UNDER PARKING ASSUMPTIONS**

Lot Size	50,000
Maximum Coverage	90%
Lot Available for Construction	45,000

Floor Area Ratio	2
Maximum Construction SF	100,000

Square Feet Breakdown	Percentage	SF
- Residential	100%	100,000

Parking Spaces		
- Residential *	1.5	118

\* 1.5 parking spaces per residential unit

\* Capacity of 118 parking spaces per tuckunder parking level

Source: Economics Research Associates.

**A-2: DOWNTOWN TUCSON HOUSING PROTOTYPE - LOW-RISE/TUCK UNDER PARKING  
REVENUES FROM RESIDENTIAL PROPERTY SALE**

Unit Type	Total Residential SF	Average Size per Unit	# of Units	Square Footage Per Unit	Price Per Unit	Price Per Square Foot	Total Sales Revenue
Condominium Units	100,000	1,275	78	1,100	\$231,000	\$210.00	\$18,124,615
<b>Total</b>			78				<b>\$18,124,615</b>

**Residential Revenue**

Total Sales	\$18,124,615
Cost of Sale	4% (\$724,985)
<b>Net Residential Revenue</b>	<b>\$17,400,000</b>

**Revenue per SF** **\$174**

Source: Economics Research Associates.

### A-3: DOWNTOWN TUCSON HOUSING PROTOTPYE - LOW-RISE/TUCK UNDER PARKING COST ASSUMPTIONS

#### Project Square Footage

Residential for Sale 100,000

Underground Parking (Residential Spaces only) 118 1 tuck-under parking level

	Total	Per SF	Per Unit	Per Acre	% of Total
Direct Costs, Residential /1	\$8,800,000	\$88			63%
Direct costs, Tuck Under Parking	\$823,846		\$7,000		6%
Subtotal Direct Costs	\$9,623,846				68%
Residential Impact Fees	\$392,308		\$5,000		3%
Sewer Capacity Fee	\$235,385		\$3,000		2%
Plan Check Fees	\$5,000				0%
Building Permit Fees	\$4,000				0%
School Fees (Residential)	\$300,000	\$3			2%
Water Capacity Fee	\$235,385		\$3,000		2%
Other Soft Costs /2	\$2,887,154				21%
Financing Costs /3	\$384,954				3%
Subtotal Indirect Costs	\$4,444,185				32%
<b>Total Development Cost (excluding land)</b>	<b>\$14,068,031</b>				<b>100%</b>

1/ Includes site improvements, demolition, construction cost, contingency, etc.

2/ Based on 30% of direct costs

3/ Based on 4% of direct costs

Source: Economics Research Associates

### A-4: DOWNTOWN TUCSON HOUSING PROTOTYPE - LOW-RISE/TUCK-UNDER PARKING RESIDUAL LAND VALUE ESTIMATE

#### Revenues

	Amount
For-sale Housing Revenue	\$17,400,000
<b>Total Sources of Revenue</b>	<b>\$17,400,000</b>

#### Costs

Direct Costs	\$9,623,846
Indirect Costs (Soft Costs, Financing & Fees)	\$4,444,000
<b>Total Costs Excluding Land</b>	<b>\$14,067,846</b>
Developer Profit	15% \$2,110,177
<b>Total Costs Excluding Land</b>	<b>\$16,178,023</b>

<b>Net Available for Land Costs</b>	<b>\$1,221,977</b>
Per S.F. of Land Area	\$24.4

Source: Economics Research Associates



**B-1: DOWNTOWN TUCSON HOUSING PROTOTYPE  
HIGH-RISE/UNDERGROUND PARKING ASSUMPTIONS**

Lot Size	50,000
Maximum Coverage	50%
Lot Available for Construction	25,000

Floor Area Ratio	6
Maximum Construction SF	300,000

Square Feet Breakdown	Percentage	SF
- Residential	100.0%	300,000

Parking Spaces	
- Residential	1.2 303

Source: Economics Research Associates.

**B-2: DOWNTOWN TUCSON HOUSING PROTOTYPE - HIGH-RISE/UNDERGROUND PARKING  
REVENUES FROM RESIDENTIAL PROPERTY SALE**

Unit Type	Total Residential SF	Average Size per Unit	# of Units	Square Footage Per Unit	Price Per Unit	Price Per Square Foot	Total Sales Revenue
Condominium Units	300,000	1,188	253	1,100	\$275,000	\$250.00	\$69,444,444
<b>Total</b>			<b>253</b>				<b>\$69,444,444</b>

**Residential Revenue**

Total Sales	\$69,444,444
Cost of Sale	4% (\$2,777,778)
<b>Net Residential Revenue</b>	<b>\$66,667,000</b>

Revenue per SF \$222

Source: Economics Research Associates.

### B-3: DOWNTOWN TUCSON HOUSING PROTOTPYE - HIGH-RISE/UNDERGROUND PARKING COST ASSUMPTIONS

#### Project Square Footage

Residential for Sale 300,000

Underground Parking (Residential Spaces only) 303 Multi-level underground parking

	Total	Per SF	Per Unit	Per Acre	% of Total
Direct Costs, Residential /1	\$31,500,000	\$105			56%
Direct costs, Underground Parking	\$7,575,758		\$25,000		14%
Subtotal Direct Costs	\$39,075,758				70%
Residential Impact Fees	\$1,262,626		\$5,000		2%
Public Facility Commercial (DIF)	\$7,150			\$20,764	0%
Sewer Capacity Fee	\$757,576		\$3,000		1%
Plan Check Fees	\$5,857				0%
Building Permit Fees	\$4,687				0%
School Fees (Residential)	\$900,000	\$3			2%
Water Capacity Fee	\$757,576		\$3,000		1%
Other Soft Costs /2	\$11,722,727				21%
Financing Costs /3	\$1,563,030				3%
Subtotal Indirect Costs	\$16,981,229				30%
<b>Total Development Cost (excluding land)</b>	<b>\$56,056,987</b>				<b>100%</b>

1/ Includes site improvements, demolition, construction cost, contingency, etc.

2/ Based on 30% of direct costs

3/ Based on 4% of direct costs

Source: Economics Research Associates

### B-4: DOWNTOWN TUCSON HOUSING PROTOTYPE - HIGH-RISE/UNDERGROUND PARKING RESIDUAL LAND VALUE ESTIMATE

#### Revenues

	Amount
For-sale Housing Revenue	\$66,667,000
<b>Total Sources of Revenue</b>	<b>\$66,667,000</b>

#### Costs

Direct Costs	\$39,075,758
Indirect Costs (Soft Costs, Financing & Fees)	\$16,981,000
<b>Total Costs Excluding Land</b>	<b>\$56,056,758</b>
Developer Profit	15% \$8,408,514
<b>Total Costs Excluding Land</b>	<b>\$64,465,271</b>

<b>Net Available for Land Costs</b>	<b>\$2,201,729</b>
Per S.F. of Land Area	\$44.0

Source: Economics Research Associates

## Appendix C – Downtown Tucson Schools

School	Address	Phone	Grades	Enrollment	Student-Teacher Ratio	Administrator	Downtown Core
Calli Olin Academy	200 N. Stone Ave., Third floor	882-3029	9 to 12	116	1:20	Magdalena Verdugo or Shannon Dinelev	Y
Cape School-Juvenile	130 W Congress	740-8451		175	1:22		Y
Carrillo Magnet School	440 S. Main	225-1200	3 to 5	214		Maria Marin	Fringe
City High School	48 E. Pennington St.	623-7223	9-12 by 2005	120	1:18	Carrie Brennan	Y
Davis Bilingual Elementary Magnet School	500 W. St. Mary's Road	225-1400	K to 5	259		Christopher Loya	N
Downtown Alternative High School	39 N. 6th Ave.	622-2979	9 to 12	27		Linda Schloss	Y
Drachman Primary Magnet School	1089 S. 10th Ave.	225-1500	K to 2	240		Gloria Barnett	N
Menlo Park Elementary School	1100 W. Fresno	225-2100	K to 5	364		Patricia McElroy	N
Pima Vocational High School	97 E. Congress	903-0102	9 to 12	150	1:15	Gloria Proo	Y
Pio Decimo	848 S. Seventh	622-8201	Pre-K				N
Safford Magnet School	200 E. 13th St.	225-3000	Pre K to 8	760		Theresa Ross	N
Santa Cruz Catholic School	29 W. 22nd St.	624-2093	PreK-8	175	1:15	Donna C. Gary	N
Second Chance Highschool	118 S Fifth	882-4471	9 to 12	59			Y
Self Advancement School	130 W Congress	740-8451	9 to 12	33			Y
Zimmerman Elementary	130 W Congress	740-8451	K to 6	10			Y
<b>Total Enrollment</b>				<b>2702</b>			

## **Appendix D – Focus Group Session # 1 Notes**

### **Questions and Comments FOR FOCUS GROUPS FOR TUCSON DOWNTOWN HOUSING STUDY**

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#### **Focus Group Session 1**

**Wednesday, July 20, 2005**

#### **Questions:**

1. How long have you lived in downtown?

#### **RESPONSE:**

Respondent 1: Now lives near UA, but lived DT all his life

Respondent 2: Lives DT (for 13 years) and used to commute to DT to work  
before retiring

Respondent 3: Lives on Tucson's northwest side, but used to commute to DT to work

Respondent 4: Works DT but lives on the east side

Respondent 5: Works DT but does not live DT

Respondent 6: Lives near University of Arizona

Respondent 7: Lives DT

Respondent 8: Lives near UA, came to Tucson from Seattle area to attend college.  
After graduation he remained in Tucson.

2. Why did you move to downtown?

#### **RESPONSE:**

Now lives near UA, but lived DT all his life

Has lived near or in DT Tucson all her life and used to work DT before retiring

Old buildings appeal to me

3. Would you consider moving out to other parts of the city?

#### **RESPONSE:**

The people who live DT enjoy it and want to stay.



4. Do you consider the downtown area to be more or less expensive than other parts of the city?

**RESPONSE:**

More expensive to live DT—they are charging as much for a 1 bedroom as you would pay for a whole house elsewhere.

Housing DT is overpriced for a 2 bedroom

Ice House Lofts are outrageously priced

Bought downtown due to family illness needs, have kids and difficult to find something with more bedrooms, only could find smaller houses, property rates have doubled and are expensive. Californians are coming in and buying downtown, fixing up properties and reselling for more. Sam Hughes is more desirable for same price and it is nicer, greater sense of community, competing with expensive homes downtown.

Downtown residents that have been there for a long time are being pushed out by rising property taxes.

Downtown rent is high.

5. Has your property or your rent increased in value in recent years?

**RESPONSE:**

The consensus was that yes, because of the new housing being built DT, the property values have increased.

Property values are high, it is a good investment.

6. What are the advantages to living in downtown?

**RESPONSE:**

People are looking for the convenience of downtown living, turn key, no yard to maintain. Some people like single family but more people are looking for condo living.

7. What amenities do you like in downtown?

**RESPONSE:**

There are things to do right near you – culture, parks, and independent film theatre  
Easy to get around & walk, it is not necessary to use a car.

Open park area for kids, DT promotes a cohesiveness of people

A neighborhood feel as an alternative to urban sprawl, not having to drive would be nice.

Convenient to live near bars

Mix of moods, levels of establishments

Lots of restaurants, jazz music, brings in tourists, excitement, safe, security

8. What amenities do you think downtown should have to attract more people to live?

**RESPONSE:**

Parking is a problem

DT is isolating, no grocery stores; don't come downtown much because there is not much open; Armory Park neighborhood is solid; there are buildings and houses going up. It seems dynamic, but there is no real gathering place and therefore I don't see it as a destination. I must drive three or four miles for groceries. I don't go north from my neighborhood into downtown. I like the idea of living so central.

More eclectic persons more likely to not miss amenities, recreational facilities would be nice DT, leisure walk areas, pool, etc.

Each section of Tucson is like own little city, don't have to leave area because it has everything you need. It would be great if it was like that DT, schools, stores, groceries, etc. Would like to see something like the Campbell and 6<sup>th</sup> Street area "Sam Hughes Place."

Downtown has long blocks without much shade or ambiance, no good spots for pedestrians to cross streets, needs to be more pedestrian friendly, shouldn't have to meander around to find shade in the heat.

Arts and crafts, music on street corners, break dancing all out of the norm. Everyone likes the street performers but does the city allow it?

Would like to see things like a Trader Joe's, little co-op on 4<sup>th</sup> but can't do serious grocery shopping. The farmers market offers limited groceries, so you have to leave downtown to go to grocery store.

Has a friend that works DT but didn't want to give up his space and property since he only lives 3 miles away. He'd rather commute to DT for work.

- a. Do you work in downtown?
  - i. If yes, how do you get to work?

**RESPONSE:**

Drive car and find parking DT

Ride a bike

- ii. If not, where do you work? How far away is it?

**RESPONSE:**

Now lives near UA, but lived DT all his life

Lives DT (for 13 years) and used to commute to DT to work before retiring

Lives on Tucson's northwest side, but used to commute to DT to work

Works DT but lives on the east side

Works DT but does not live DT

Lives near University of Arizona

Lives DT

Lives near UA, came to Tucson from Seattle area to attend college. After graduation he remained in Tucson.

- b. If you live and work in downtown, is not commuting an advantage or are commutes easy enough?

**RESPONSE:**

Couples may have hard time if both don't work downtown.

Not bad to commute.

- c. How many people work in your Household? Is downtown a central location?

**RESPONSE:**

Tucson Residents outside of downtown:

- d. Have you considered living in downtown?

- i. If yes, what are the main factors stopping you from moving to downtown?

**RESPONSE:**

Remembers downtown stores and weekend shopping; would have considered living downtown back when she worked downtown; but not as appealing now, too far to drive for groceries and other things to do; patio homes on Granada used to look appealing to her

- ii. If not, why not?

**RESPONSE:**

No schools, no convenient stores downtown; was NE Campbell and Speedway, now moving downtown, likes how there is always something going on downtown, good energy

Not ideal for children; maybe okay for couples and singles; too much traffic, too many bars that make too much noise

- e. What is your perception of downtown?

**RESPONSE:**

Not safe, inconvenient, expensive housing, limited housing options

- f. What would change your mind in considering downtown a housing alternative?

**RESPONSE:**

Less expensive rent/price of housing

- g. Why did you choose to live where you live?

**RESPONSE:**

Enjoys the convenience, the excitement of DT

To be close to family

All Residents:

- h. Do you rent or own your home?



**RESPONSE:**

Some own, but most rent

- i. Have you seen an increase in property values and rents in downtown?

**RESPONSE:**

The consensus was Yes.

- j. Have you seen an increase of interest (funds and families) in the downtown area in recent years?

**RESPONSE:**

See new businesses, such as restaurants opening

New housing is being built/remodeled

- k. Do you have children at home?

**RESPONSE:**

[We didn't ask this question]

- l. Would you pay a premium for views of Tucson?

**RESPONSE:**

No, most said they wouldn't pay extra for views of Tucson.

Yes, a couple people said they would pay extra for views of Tucson.

- m. Are amenities in downtown projects necessary to compete with suburban developments?

**RESPONSE:**

Yes, such as shopping, groceries, convenience stores

Landscaping, shade, parks

- n. How would downtown Tucson compare with other areas of the city regarding safety?

**RESPONSE:**

The park on 22<sup>nd</sup> and 4<sup>th</sup> Avenue has lots of vagrants, security is important to a lot of people and downtown does not reflect safety and security; the group agreed there is a

common perception amongst people that downtown is not a safe area; nothing seems accessible downtown, seems like a lot of buildings that are just there;

One lady commented that when she worked downtown she did not feel threatened or unsafe although she believes there is that perception; downtown needs more police presence; lots of people walk at night and haven't had a problem – not a lot of people out either, does not feel threatened at night.

Community center is a great place, but need walking path and lights for night walking. Need more community center activities to bring people out.

Security presence – DT would lose the stigma of being unsafe

- o. What areas in the region compete with downtown the most?

**RESPONSE:** West University area is similar to DT

Both areas have a lot of similarities; however, downtown is more slow paced while the university area is more fast paced; downtown closes too early; would like to see more patio dining; more bikes would be nice downtown; one guy just got back from Portland and commented on how different it is there, the buses run every fifteen minutes and there is a metro to bring you into downtown.

Downtown-more mature feel, culture

UA-frat kids, transient, rent gets jacked up when students come back into town

- p. What are the main differences between the downtown market and other markets in the region?

**RESPONSE:**

More variety of housing types, values, are offered in other parts of the city

More variety and/or convenient grocery stores, malls, activities in other parts of the city

- q. What types of homes would you like to see in downtown Tucson? Have they changed through time?

**RESPONSE:**

Single family

Condos

Patios, balconies

Yards (small or large)

- r. How would you like the downtown area to look in 20 years? What is your vision?

**RESPONSE:**

24-hour places, cafes with late hours, people out late.

DT to reserve areas for people with less money.

Hope it doesn't become generic, bring in more money is important to support smaller shops, keep it cultural and keep charm, hope that shops won't only cater to people with money.

Places that offer good variety that aren't chain stores to give money to hometown companies.

Would like to see it more like 4<sup>th</sup> Ave., but with structures that have stores on lower level and homes on top.

- s. Are there any downtowns that Tucson should look at as models?

**RESPONSE:**

Santa Fe, NM – pricey but good energy and local

Portland

San Antonio – things open late, has lots of convention business

Boston – better going out atmosphere, don't have that here

Vancouver – jazz, hotels, shops, families, ice cream

Baltimore Harbor

San Francisco – parks, common places, don't want concrete jungle like Phoenix

Don't like many things about Mill Ave in Tempe—it's too corporate, too trendy, it's sterile, too uptight

City in comparable size to Tucson...Albuquerque – but their downtown vacates at 5:00 pm

- t. How could the city encourage more people to move downtown?

**RESPONSE:**

DT Tucson has a marketing problem because it looks rundown here.

Sometimes will go to a couple of restaurants or bars that are more neighborhood feeling, but only about a dozen places.

Not enough parking structures—never know when they close and cost of each.

There's a lack of awareness to restaurants and hangout, need more advertising.

Need better signage for parking structures and more collaboration with owners.

Would like to see more businesses open.

Have noticed the DT Personality Posters hanging in DT windows...a marketing campaign advertising DT Tucson.

The city isn't making improvements, only on the outskirts but the inner city is lacking.

- u. How could developers encourage more people to move downtown?

**RESPONSE:**

Build more affordable housing for all income levels.

- v. What transportation method do you use to get to work?

**RESPONSE:**

Variety of transportation: Walk, bike, automobile

- w. Is the morning and afternoon rush hour commute a hassle for you?

**RESPONSE:**

No

- x. Do you consider that having a strong downtown to be important to the region's economy?

**RESPONSE:**

All participants agreed that a strong downtown is vital to Tucson's economy



## Appendix E – Focus Group Session # 2 Notes

### Questions and Comments FOR FOCUS GROUPS FOR TUCSON DOWNTOWN HOUSING STUDY

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#### Focus Group Session 2

Thursday, July 21, 2005

#### Questions:

9. How long have you lived in downtown?

#### RESPONSE:

Respondent 1: born and raised in Tucson works on the east side, just moved to DT, 40 minute commute

Respondent 2: age 45, grew up west of 1-10, just moved to the east side of 1-10 DT, not working now, looking for something different. Nice not to own a vehicle but hard when it is hot.

Respondent 3: lives, works, shops, recreates in DT. Does not own vehicle, 2 years DT, works at Trans America Bldg., moved to Tucson for the U of A.

10. Why did you move to downtown?

#### RESPONSE:

Chic, close to everything, 4<sup>th</sup> Ave. w/in walking district, housing has sense of culture

Felt alienated from U of A crowd after graduation, too young to live in that district, feels more at home DT

Enjoys her neighbors, makes them dinner, visits them, wants to see that in the future

Came here for a change, the weather. Unique environment, “Small big city,” lacks amenities that make it a sustainable environment, i.e. not being able to always get a cup of coffee or have a place to meet w/ friends, don’t quite have that here. Likes café near house-locally owned, likes distinct atmosphere

Grew up on east side, likes look of DT, great landlord, knows all of her neighbors, tighter community than urban areas. Parents hate her as a single female living downtown, told not to live

DT growing up due to muggers and crime. Friends think she pays too much, but she thinks it is worth it for the location.

11. Would you consider moving out to other parts of the city?

**RESPONSE:**

All preferred living downtown as opposed to other parts of the city

12. Do you consider the downtown area to be more or less expensive than other parts of the city?

**RESPONSE:**

DT is too expensive for food, shopping, etc., it is not affordable

13. Has your property or your rent increased in value in recent years?

**RESPONSE:**

Sold her 86-year-old historic home in DT and it sold quickly at a high price

14. What are the advantages to living in downtown?

**RESPONSE:**

Historic, unique atmosphere, nightlife is nearby without having to drive

15. What amenities do you like in downtown?

**RESPONSE:**

Moved to Phoenix before DT and hated it because there was no culture, keep it historic and unique looking

Would like to see things stay the same, keep the old architecture

Likes how they are all different and unique

Different city than you may think, things to do, unique environment, unlike any other city

16. What amenities do you think downtown should have to attract more people to live?

**RESPONSE:**

Depends on money, co-op on 4<sup>th</sup> & empire market (if you have more money to spend), major chains, would like to see dry cleaning, hardware store, convenience stores.

Stops at places on way home you have to drive things are not available downtown, does everything after work cause it is not DT

Thinks DT currently promotes the segregation of different income levels

**Are there places where people do mix in public venues, such as restaurants?**

Pat's Chili Dogs - Not down town (located on St. Mary's w of I-10)

Not Just Java – DT area by library

Hotel Congress – All ages, professionals, teachers, students, young people

El Minuto- Good mix, inexpensive

Diversity that intertwines helps curb problems, helps acceptance of other people, that needs to be created

On Stone there is a public garden but no shade so it is hardly used. There's a nice garden at University and Euclid with a courtyard and I would like more places like that in DT, lots of trees

Would rather have higher density city that a yard or more out door space

- y. Do you work in downtown?
- i. If yes, how do you get to work?

**RESPONSE:**

Doesn't work now, but doesn't have a car

Lives and works DT, just walks to work

- ii. If not, where do you work? How far away is it?

**RESPONSE:**

Drives to the east side of Tucson for work, about 14 miles

- z. If you live and work in downtown, is not commuting an advantage or are commutes easy enough?

**RESPONSE:**

Commutes aren't too bad because I'm going against most of the traffic as I head east  
Not having to commute is an advantage

- aa. How many people work in your Household? Is downtown a central location?

**RESPONSE:**

Just herself  
Just himself  
2 teenage daughters

All Residents:

- bb. Do you rent or own your home?

**RESPONSE:**

All rent

- cc. Have you seen an increase in property values and rents in downtown?

**RESPONSE:**

Debra: sold her 86-year-old historic home in DT and it sold quickly at a high price

- dd. Have you seen an increase of interest (funds and families) in the downtown area in recent years?

**RESPONSE:**

All participants said they feel like DT is a neighborhood  
Yes, we have common ground



Yes, I refer to my apartment as a house

Yes, neighborhood feel

Hispanics and the social/higher density lifestyle of DT, do they like it or would they be willing to live/move to it?

DT is more for younger generations, would like to see DT liven up and change, Tucson wants to keep small town feel but it is not small anymore we need to change

Variety of neighbors, more diverse neighbors in Redondo, musicians, newscasters, U of A students, retired, many are not originally from Tucson

Artistic and from Chicago

**Are most of your neighbors from other cities?**

All: yes

ee. Do you have children at home?

**RESPONSE:**

Has two teenage daughters

ff. Would you pay a premium for views of Tucson?

**RESPONSE:**

Like the views from Redondo Towers, currently on the 3<sup>rd</sup> floor, thinks people would pay more to have good mountain views

Would not pay A LOT more for views, afraid that it would limit the type of people here if you charged more

Never considered having a view, never had one before so its not important

gg. Are amenities in downtown projects necessary to compete with suburban developments?

**RESPONSE:**

Has membership to Gold's Gym, uses parking garage, just having a gym here is nice, it has a spa and it's indoors w/ air conditioning

Has membership to Gold's, amenities are not a big deal to him

Loves her balcony, each room has access to balcony, like porch at old house

Doesn't have one (a balcony or porch) but it would be nice for friends that smoke

Has back patio and large back wall, its very small

**Parks or Plazas that people mix?**

Kids go to mall or hang out at home, hopes TCC will get involved and bring in bands and entertainment, cater to a younger crowd

Not aware of any

Cafes, library, need more central places

It's nice to have somewhere to go, it promotes neighborhood friendliness

hh. How would downtown Tucson compare with other areas of the city regarding safety?

**RESPONSE:**

DT has bad rap, but that is usually from people who haven't been DT in a long time.

U of A kids don't leave Congress area, doesn't get patrolled, hassled by bums

Doesn't see DT environment different than any other area

Can't pretend there are not problems, more money will help clean things up

Her front door is just a walk up with a security gate, parking is an issue by the houses, likes to be able to park on the street makes it feel less like corporate America

ii. What areas in the region compete with downtown the most?

**RESPONSE:**

Malls and grocery stores and convenience stores in other parts of the city are convenient and nearby

- jj. What are the main differences between the downtown market and other markets in the region?

**RESPONSE:**

There are not enough venues, wants to see more livelihood, need more shade spots, Tucson weather is not always conducive to being outside, needs to be able to cater to all types of income levels in order to keep diversity DT, wants more outdoor entertainment –they used to have it but not any more

Cost of entertainment is an issue because kids have parents with little money and there is nothing DT to keep them out of trouble

DT needs people, it's empty, must be cleaned up aesthetically. Years ago, everyone did their shopping DT, there were lots of shops years ago for all age groups, entertainment, Fox theatre, DT Saturday night. Now those people go to malls, DT is too expensive for food, shopping, etc., not affordable, seems to cater to people age 70 and over DT has unsavory characters, but they are just a part of the city

- kk. What types of homes would you like to see in downtown Tucson? Have they changed through time?

**RESPONSE:**

DT has heart to it

Some people are afraid Condos will make DT turn into Phoenix

Cookie cutter image to condos that exist

Caters to one specific income

What does the word "culture" mean to people? It varies

His friends worry that rent will go up

People are worried about encroachment, drove around in Tucson when relocating and just looked for a cool place to live and found it in DT

Tucson is segregated, and DT changes will be tough but it can work

- ll. How would you like the downtown area to look in 20 years? What is your vision?

**RESPONSE:**

Chic, friendly, can be around a lot of people, more personable than the malls, a place where everyone knows your name

- mm. Are there any downtowns that Tucson should look at as models?

**RESPONSE:**

[We didn't ask this question]

- nn. How could the city encourage more people to move downtown?

**RESPONSE:**

Change is good but...protect diversity, authenticity, familiarity in relationships

- oo. How could developers encourage more people to move downtown?

**RESPONSE:**

Build a variety of housing for a variety of income levels, maintain historic architecture

- pp. What transportation method do you use to get to work?

**RESPONSE:**

Drives a car

Does not own a car, walks or uses the bus

Does not own a car and walks to work DT

- qq. Is the morning and afternoon rush hour commute a hassle for you?

**RESPONSE:**

Congress during rush hour is awful, most of my friends who commute to DT just by-pass traffic and take 22<sup>nd</sup> or Speedway. I don't think they will relocate to DT...they'll just keep complaining.

- rr. Do you consider that having a strong downtown to be important to the region's economy?

**RESPONSE:**

All participants agreed that a strong downtown is vital to Tucson's economy

**Compared to your friends, co-workers, etc. are your opinions typical?**

Yes, when they saw the place I live in they liked it and the feel of it, "our chance to start something new"

Her friends were looking forward to it (Rio Nuevo) happening but want to maintain the culture, would like to see DT holiday decorations she remembered as a kid

Atypical






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71.6 °F / 22 °C



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## Discover, Educate, Serve and Inspire

The University of Arizona is a premier, public research university. Established in 1885 as the first university in the state and the state's land grant university, the UA is building a better Arizona through access, quality and discovery.

## About the University of Arizona

As a public research university serving the diverse citizens of Arizona and beyond, the mission of the University of Arizona is to provide a comprehensive, high-quality education that engages our students in discovery through research and broad-based scholarship. We aim to empower our graduates to be leaders in solving complex societal problems. Whether in teaching, research, outreach or student engagement, access and quality are the defining attributes of the University of Arizona's mission.

### Bold History that Fuels the Future

It was a bold move in 1885 to start a university in the middle of the desert. UA faculty and students have been on the cutting edge ever since.

### Research that Improves the Human Condition

From planetary science to medicine to the arts, UA research is changing the world. Being ranked #19 by the National Science Foundation doesn't just make us great; it


**Founded:** 1885

**President:** Ann Weaver Hart, Ph.D.

#### Students:

- 29,719 Undergraduate
- 6,962 Graduate
- 1,376 Professional & Medical

#### Facts & Research:





Campus Photo Tour

creates great opportunities for students. Our researchers teach. Students work alongside world-class professors to discover new knowledge and launch their own careers.

## Prestigious Faculty

Nobel and Pulitzer Prize winners, members of esteemed national academies and world-renowned experts in dozens of disciplines, our faculty brings international attention to the University, and puts us in the ranks of the top public universities in the nation.

## Enviably Academics

The UA is a diverse and talented community. From astronomy to communication to entrepreneurship, our programs and our people are among the best in the country. We offer a rich and rewarding educational experience to all who choose to focus on excellence.

## Outreach to the Community and the World

As the state's land grant university, we honor our three-fold commitment to education, research and community service. UA faculty and students share their knowledge, their time and their resources throughout the state and around the world.

## Economic Impact that Benefits All

The UA generates more than \$625 million in research. Together, the University of Arizona, the UA Tech Park and UA Health Network infuse billions of dollars into the state economy each year. We reach every Arizona county and five tribal reservations, supporting one out of every 93 jobs in the state.

- More than \$625 million in research
- Ranked #19 among all public universities by the National Science Foundation
- State Land Grant University
- Member, Association of American Universities
- Research I University

### Sports:

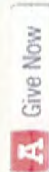
- NCAA Division-1, PAC 12 Conference

### Campus:

- 387 acres in central Tucson, oldest continually maintained green space in Arizona.



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# FAQ

## Annual Undergraduate Student Costs

Cost per year (On campus)	
Tuition & Fees (resident)	\$10,035
Tuition & Fees (non-resident)	\$26,231
Room and Board	\$9,714
Books and Supplies	\$1,000
Travel	\$2,480
Miscellaneous	\$1,500

Residence Hall Capacity	7,209
-------------------------	-------

## Tucson Campus

Area (acres)	391
Number of Buildings	228
Main Campus	207
AHSC	21



## General Information

(520) 621-2211  
<http://www.arizona.edu>

## Admissions Info

(520) 621-3237  
<http://www.admissions.arizona.edu>

## Information Compiled by

Office of Institutional Research  
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1030 N Mountain, PO Box 210134

Tucson, AZ 85721-0134

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<http://oirps.arizona.edu>



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THE UNIVERSITY  
 OF ARIZONA

# FAQ

2012-13

- Located in: Tucson, Arizona 85721
- Founded: 1885
- Calendar: Semester
- Enrollment: 40,223
- 21st President: Ann Weaver Hart
- State Land Grant University
- Member, AAU
- NCAA Division-I, PAC 12 Conference



## Students

Headcount Enrollment	40,223
Full-time	34,715
Part-time	5,508
Undergraduates	31,565
Freshmen	9,311
Sophomores	6,642
Juniors	6,978
Seniors	8,286
Unclassified	348
Graduate Students	7,162
First Professional Students	1,496
Men	19,264
Women	20,959
Honors Students	4,591
Honors Freshmen	1,214
National Merit Scholars (Freshmen)	82
FTE Enrollment	39,614
Total Student Credit Hours	533,674

## Students By Origin

Arizona	26,330
California	4,526
All Other Out of State Students	6,249
International Students	3,118
Percent of UA Students	7.8%
Number of Countries	116
New Freshmen by Arizona County	
Maricopa	2,077
Pima	1,726
Other AZ Counties	649
Non-AZ High Schools	2,949

## New Undergraduates

	Freshmen	Transfers	Total
Applicants	26,329	4,813	31,142
Admissions	20,251	2,850	23,101
Matriculations	7,401	1,964	9,365

## Research

National Science Foundation Rankings (2009-10)	
Among Public Universities	19 <sup>th</sup>
Among all U.S. Universities	30 <sup>th</sup>

## Employees

Total Headcount	15,298
Administrators	160
Faculty	3,022
Other Appointed	3,778
Classified Staff	5,354
Graduate Assistants	2,984
Men	7,392
Women	7,906
FTE Employment	12,164
Total Payroll (FY 2011-12)	\$831,053,895

## Revenues 2011-12

Total Revenues (per IPEDS)	\$1,684,756,000
Tuition & Fees	\$410,507,000
State General Fund	
16% of Total Revenues	\$268,533,000
Share of State Sales Tax	\$20,353,000
Grants, Contracts, & Other Funds	\$564,457,000
Auxiliary Enterprises	\$171,017,000
Gifts	\$96,201,000
Investment Income	\$3,386,000
Other Operating Revenues	\$61,627,000
Other Non-Operating Revenues, Net	\$27,644,000
Capital & Endowment Additions	\$61,031,000

## Degrees Awarded

Total	8,775
Baccalaureate	6,351
Masters	1,568
Specialists	6
Doctorate	455
First Professional	395

## Graduation Rates for Freshmen

	After 4 yrs	After 5 yrs	After 6 yrs
Entering class	34%	55%	60%
Fall 2004	37%	57%	61%
Fall 2005	36%	56%	61%
Fall 2006			



## Headcount Enrollment By College

	Undergraduates	Grad. & First Prof.	Total
Agriculture & Life Sci.	3,008	347	3,355
Architecture & Landscape Architecture	439	144	583
Education	885	735	1,620
Eller College of Mgmt.	5,622	709	6,331
Engineering	2,487	593	3,080
Fine Arts	1,570	313	1,883
Humanities	1,632	354	1,986
Letters, Arts & Science	3,848	60	3,908
Medicine	1,739	772	2,511
Nursing	216	369	585
Optical Sciences	—	286	286
Pharmacy	—	476	476
Research & Graduate	4	848	852
Rogers College of Law	—	448	448
Science	6,496	946	7,442
Social & Behav. Sciences	4,450	1,062	5,512
UA Outreach College	2	0	2
UA South	260	71	331
Zuckerman College of Public Health	624	405	1,029

(Students may be enrolled in more than one College.)

## Resources

Number of Academic Programs Offered	351
Bachelors	124
Masters	127
Doctoral	93
Specialist	4
First Professional	3
Courses, total offered	10,139
Subsections	2,089
Classroom space (square feet)	397,457
Laboratory space (square feet)	1,959,107
Major Campus Libraries	7
Volumes in campus libraries	6,529,233

## State-wide Economic & Jobs Impact (2011)

UA: \$3.6 Billion and 34,136 jobs	
UA Health Network: \$2.0 Billion and 14,937 jobs	
UA Technology Park: \$2.7 Billion and 16,514 jobs	



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# 2012-13 Fact Book - Quick Reference

## Fall 2012

STUDENTS		EMPLOYEES	
Undergraduate	31,565	Headcount	
Graduate	7,162	Men	7,392
First Professional	1,496	Women	7,906
<b>Total</b>	<b>40,223</b>	<b>Total</b>	<b>15,298</b>
Full Time Equivalent	39,614	Full Time Equivalent	12,164
Student Credit Hours	533,674	Total Payroll (FY 2011-12)	\$831,053,895

NUMBER OF ACADEMIC PROGRAMS OFFERED		FACILITIES	
Bachelors	124	Buildings	
Masters	127	Main Campus	207
Research Scholarship (Doctoral)	93	Medicine	21
Specialist	4	<b>Total</b>	<b>228</b>
Professional Practice (First Professional)	3		

<b>Total</b>	<b>351</b>	<b>Acres</b>	<b>391</b>
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**RESEARCH**

Gifts and Grants (FY 2011-2012) - \$631,504,471

Expenditures (FY 2011) - \$610,565,000

**ECONOMIC IMPACT (2011)**

UA: \$3.6 Billion and 34,136 jobs

UA Health Network: \$2.0 Billion and 14,937 jobs

UA Technology Park: \$2.7 Billion and 16,514 jobs

**The National Science Foundation (NSF)** ranked The University of Arizona for the 2010 Fiscal Year, 30th among all universities and 19th among public universities for research and development expenditures within the Science and Engineering category.

**Source URL:** [http://factbook.arizona.edu/2012-13/at\\_a\\_glance](http://factbook.arizona.edu/2012-13/at_a_glance)

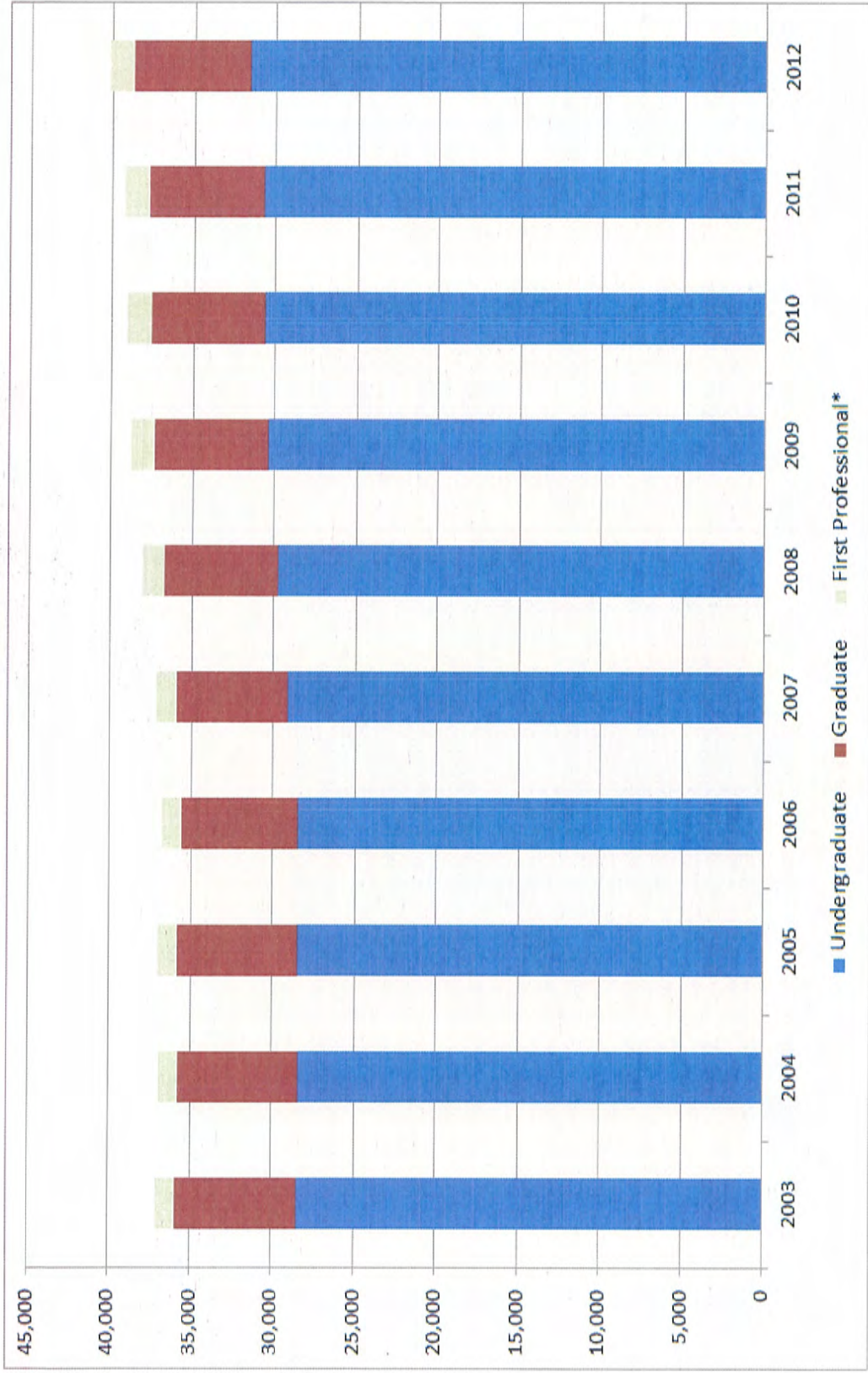
THE UNIVERSITY OF ARIZONA FACT BOOK  
Published on [factbook.arizona.edu](http://factbook.arizona.edu) (<http://factbook.arizona.edu>)

[Home](#) > [Printer-friendly](#)

# 2012-13 Fact Book - Students - Headcount

Fall	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Undergraduate	28,482	28,368	28,462	28,442	29,070	29,719	30,346	30,592	30,665	31,565
Graduate	7,450	7,387	7,362	7,112	6,870	6,962	6,989	6,991	7,083	7,162
First Professional*	1,151	1,177	1,212	1,252	1,277	1,376	1,432	1,503	1,488	1,496
University Total	37,083	36,932	37,036	36,806	37,217	38,057	38,767	39,086	39,236	40,223
% Change	0.6	-0.4	0.3	-0.6	1.1	2.3	1.8	0.8	0.4	2.5

\*Includes PharmD, Law, and MD Students



Source URL: <http://factbook.arizona.edu/2012-13/students>



# **Parking, Regulations and Economic Incentives**

This section includes the following:

- Significant public investment made within downtown since 2008
- City economic incentives and incentive districts within the study area
- Information about Downtown Tucson Partnership, which operates the Business Improvement District
- Parking within the Study area
- Transportation information
- Zoning in study area
- Building footprints in study area

# SIGNIFICANT PUBLIC INVESTMENT, 2008-2013

<u>PROJECT</u>	<u>COST</u>
⌘ Fourth Avenue Underpass	\$46,000,000
⌘ Central Energy Plant Repairs	\$8,400,000
⌘ MLK Housing	\$21,400,000
⌘ Fire Central	\$36,700,000
⌘ City-County Courthouse	\$140,000,000
⌘ FBI Building	\$21,500,000
⌘ Infrastructure Improvements (Rio Nuevo)	\$37,700,000
⌘ Modern Streetcar	\$196,000,000 (\$100M estimated for Downtown)
⌘ Plaza Centro Garage and Retail	\$6,500,000
⌘ <u>TOTAL SIGNIFICANT PUBLIC PROJECTS:</u>	<u>\$589,000,000</u>



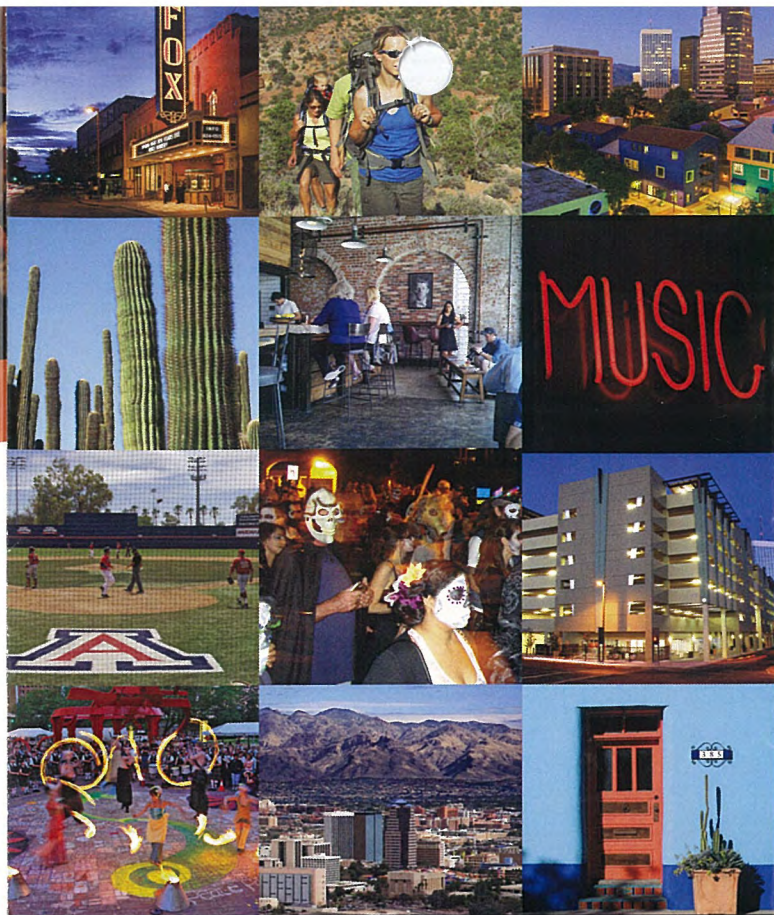


**INCENTIVE DISTRICTS & AREAS DISTRICTS**

**21 Main Gate Overlay District**

A zoning overlay in the “main gate” area adjacent to the University of Arizona promotes transit-oriented design and adaptive reuse of historic properties. Some of these overlay allowances include greater heights, reduced setbacks, and flexible options for re-use and restoration of historical properties. See map: [tucsonaz.gov/tmg.pdf](http://tucsonaz.gov/tmg.pdf)

*\* Available for projects that create significant and quantifiable economic benefit for the City of Tucson. A third-party economic impact analysis will ultimately determine eligibility. Interested candidates may contact the Economic Initiatives Office for a consultation.*



**CONTACT ECONOMIC INITIATIVES**

Economic Initiatives Office  
255 W. Alameda  
Tucson, Arizona 85701  
(520) 837-4078  
[econdev@tucsonaz.gov](mailto:econdev@tucsonaz.gov)



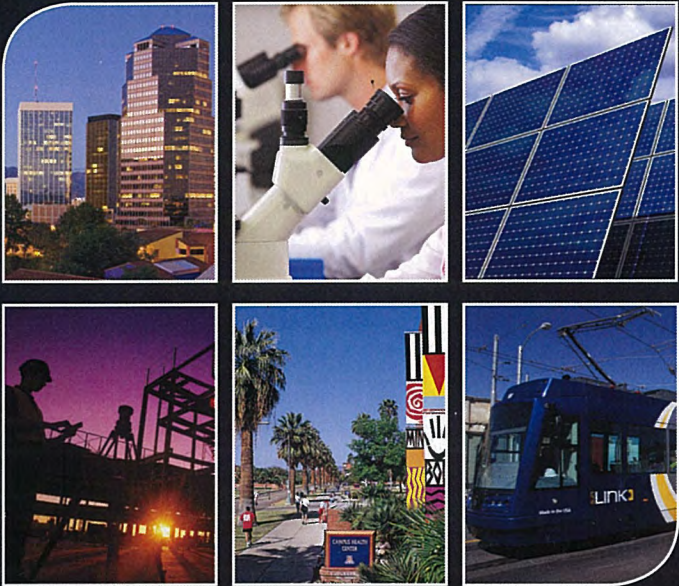
Visit the Interactive Zoning Map Tool  
[maps.tucsonaz.gov/zoombiz](http://maps.tucsonaz.gov/zoombiz)

Revised 10/2013



**BUSINESS INCENTIVES & ASSISTANCE**

*Welcome to the City of Tucson!*



Whether you are a small business, commercial developer or entrepreneur, we are here to help you locate or expand your business in Tucson.

Contact the Economic Initiatives Office to get started.

[tucsonaz.gov/business/incentives](http://tucsonaz.gov/business/incentives)



**FINANCIAL INCENTIVES**

**1 Government Property Lease Excise Tax (GPLET) \***

The GPLET can provide up to eight (8) years of property tax abatement. This incentive is available for projects located in the Central Business District that result in a property value increase of at least 100%. The amount abated cannot exceed the economic benefit created by the project. To become “government property” the City will take ownership of the property for the duration that the owner wishes to be relieved of tax obligations. Applications for this incentive are currently being accepted. See map: [tucsonaz.gov/tcbd.pdf](http://tucsonaz.gov/tcbd.pdf)

**2 Primary Jobs Incentive\***

The Primary Jobs Incentive assists Tucson in its efforts to bring quality jobs and investment into the region. The incentive provides up to a 100% credit of City of Tucson construction sales tax to qualifying expenses such as job-training, the project’s public infrastructure improvements and/or offsets to impact fees. The City will also waive building permit fees. Eligible projects must: a) invest a minimum of \$5 million in facilities or equipment, b) create 25 jobs that pay at least \$52,400, and c) cover at least 75% of employee health insurance premiums.

**3 Site Specific Sales Tax Incentive\***

For retail projects that would not otherwise locate in the city of Tucson, the City can apply project-generated tax revenues to qualifying public expenses such as job training or public infrastructure improvements. Projects must create significant and quantifiable economic benefits to be considered. The amount of sales tax revenue applied cannot exceed the economic benefit created by the project.





## LOAN PROGRAMS

### **4 Tucson Community Development Loan Fund**

The City of Tucson has a \$20 million HUD 108 loan fund that can be used as gap financing for projects that create jobs for low and moderate income persons, eliminate blight or meet urgent community needs. Tucson Community Development loans carry highly competitive interest rates with fixed terms up to 20 years. Eligible activities include real property acquisition, rehabilitation of real property, relocation, clearance and demolition, site preparation, public facilities improvements, issuance costs, capitalized interest and reserves.

### **5 Tucson Industrial Development Authority (TIDA) Bonds and Loans**

The TIDA may provide financing of projects whenever appropriate and where traditional sources of funding may not be available. Projects must serve a public purpose and meet eligibility requirements of the TIDA. The TIDA places an emphasis on new and expanding businesses where sources of traditional capital are not available.



## BUSINESS ASSISTANCE PROGRAMS

### **6 Small Business Assistance Line - (520) 837-4100**

This service has been created to assist new and existing members of Tucson's small business community to navigate the City's departments to complete their entrepreneurial ventures successfully. Economic Initiatives staff will also connect callers with the necessary business resources available at the Federal, State and local levels.

### **7 Green Business Certification Program**

The City of Tucson can help businesses operate more sustainably and save money on utility bills. The program provides businesses in Tucson with technical expertise for reducing resource consumption in the areas of energy/transportation, water use, waste production and pollution prevention/purchasing. Businesses can then use this information to reduce resource consumption. Businesses that complete the program receive certification that can be used in their marketing programs.

### **8 Historic Preservation Tax Credits**

There are 566 designated historic buildings in commercially-zoned areas in the city of Tucson and another 1,040 buildings that are potentially eligible for historic designation. Approved rehabilitations of these properties are eligible for significant federal and state tax credits. See map: <http://maps.tucsonaz.gov/HistProp/>

### **9 Small Business Enterprise Program (SBE)**

The SBE program offers opportunities to small businesses in Tucson interested in submitting bids for contracts administered by the Procurement Department. Benefits include bid preferences and subcontracting goals for construction, goods, services, and materials. SBE applicants may represent any and all ethnic and gender groups.



## DEVELOPMENT SERVICES PROGRAMS

### **10 Manager-Mayor Action Team**

The Manager-Mayor Action Team ensures that significant projects are provided the resources needed to move the project as swiftly as possible to completion. The Team will be assigned to the project to help coordinate and manage development processes.

### **11 Certificate of Occupancy (C of O) Relief**

A new C of O is not required for a new tenant of an existing building unless the occupancy classification changes for any portion of the building. This policy significantly facilitates development by reducing permit fees and enabling a new tenant to use existing site and/or floor plans.

### **12 Planned Area Development (PAD) Streamlining**

Streamlined rezoning process to create PAD's less than 40 acres within the Greater Infill Incentive and the Downtown Core Subdistricts. No pre-approval by the Mayor and Council is required. Rezoning requests go directly to the Zoning Examiner and then to Mayor and Council for final consideration.

### **13 Cross-Trained Inspectors**

The City has cross-trained building Inspectors. One inspector inspects all areas, including structural, electrical, plumbing, and HVAC. Combination inspections allow for a smoother, more efficient inspection process, saving businesses time and money.

### **14 Development Package Review (DPR)**

The DPR provides simultaneous reviews for Site Development and Grading Plan. Applicants use a development package menu to select the types of reviews needed and the review agencies required. The DPR process greatly reduces review time and increases consistency.

### **15 Impact Fee Deferral**

Impact fees for roads, parks and public facilities may be deferred until the C of O is received in exchange for a contribution to the City's Housing Trust Fund.



## INCENTIVE DISTRICTS & AREAS DISTRICTS

### **16 Downtown Financial Incentive District**

A \$10,000 building permit fee waiver per project and a construction sales tax credit for public right-of-way improvements are available for developments in this district. This district has recently been expanded. See map: [tucsonaz.gov/tdc.pdf](http://tucsonaz.gov/tdc.pdf)

### **17 Infill Incentive District - Greater Infill Subdistrict**

Flexible development options that relieve property owners from certain parking, loading, landscaping, and dimensional requirements. Transit and pedestrian oriented developments are eligible for height increases up to sixty feet in more restrictive zones. Developers will also benefit from streamlined Planned Area Development rezoning process. See map: [tucsonaz.gov/iid\\_greater.pdf](http://tucsonaz.gov/iid_greater.pdf)

### **18 Infill Incentive District - Downtown Core Subdistrict**

In addition to the options listed within the Greater Infill Incentive Subdistrict, developments in the Downtown Core Subdistrict may receive up to 100% reduction in parking requirements as well as loading, setback and landscaping reductions. See map: [tucsonaz.gov/iid\\_core.pdf](http://tucsonaz.gov/iid_core.pdf)

### **19 EPA Brownfields Project Area**

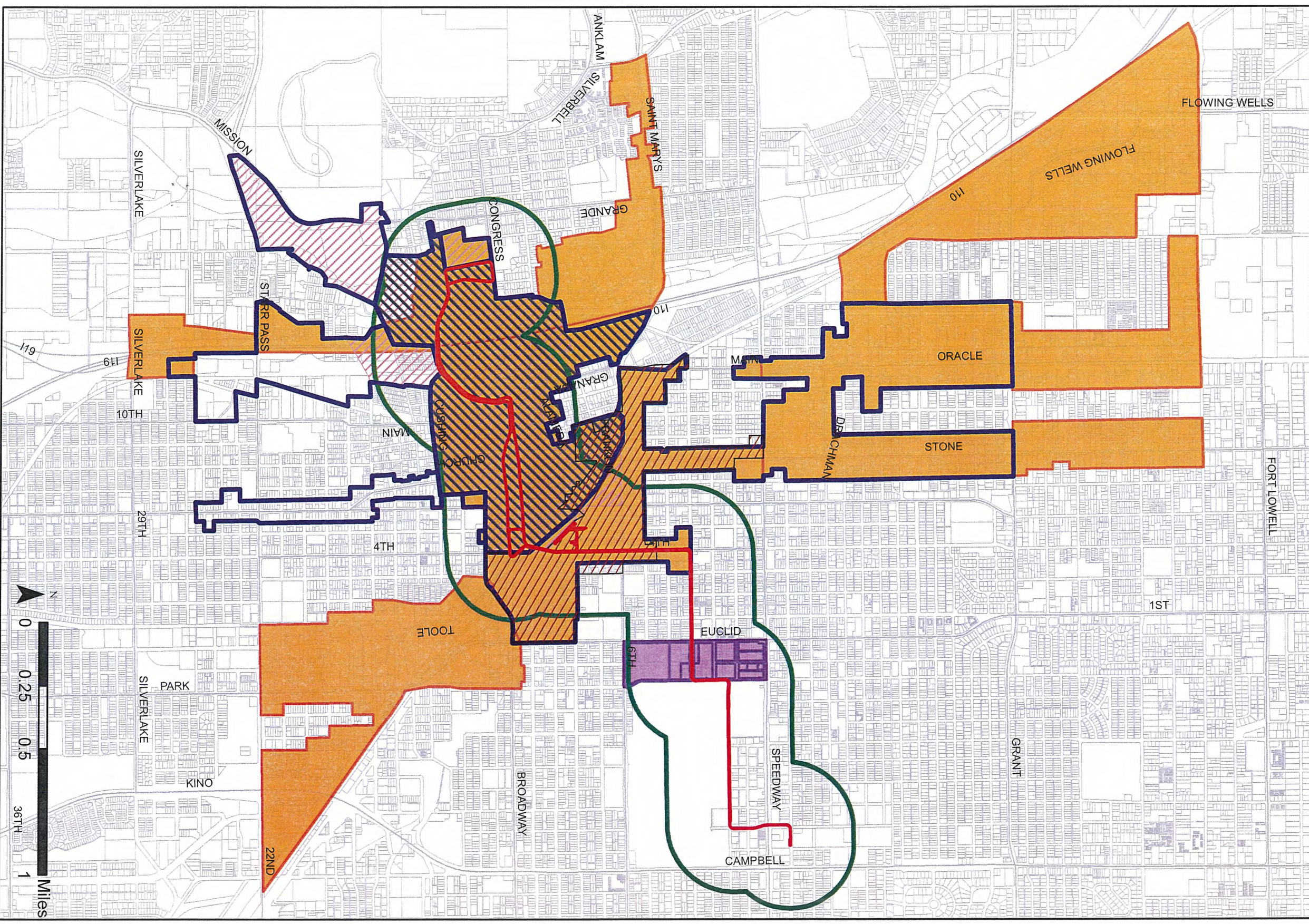
Developments within the EPA Brownfields Project Area can receive City grants to fund Phase I and II Environmental Site Assessments. Phase I assessments can cost up to \$3500 and Phase II assessments can cost up to \$20,000. See map: [tucsonaz.gov/tepabpa.pdf](http://tucsonaz.gov/tepabpa.pdf)

### **20 Central Impact Fee Benefit District**

Road impact fees are reduced by 23% for any developments within the Central Impact Fee Benefit District. Reductions are applied at time of assessment. See map: [tucsonaz.gov/tcif.pdf](http://tucsonaz.gov/tcif.pdf)



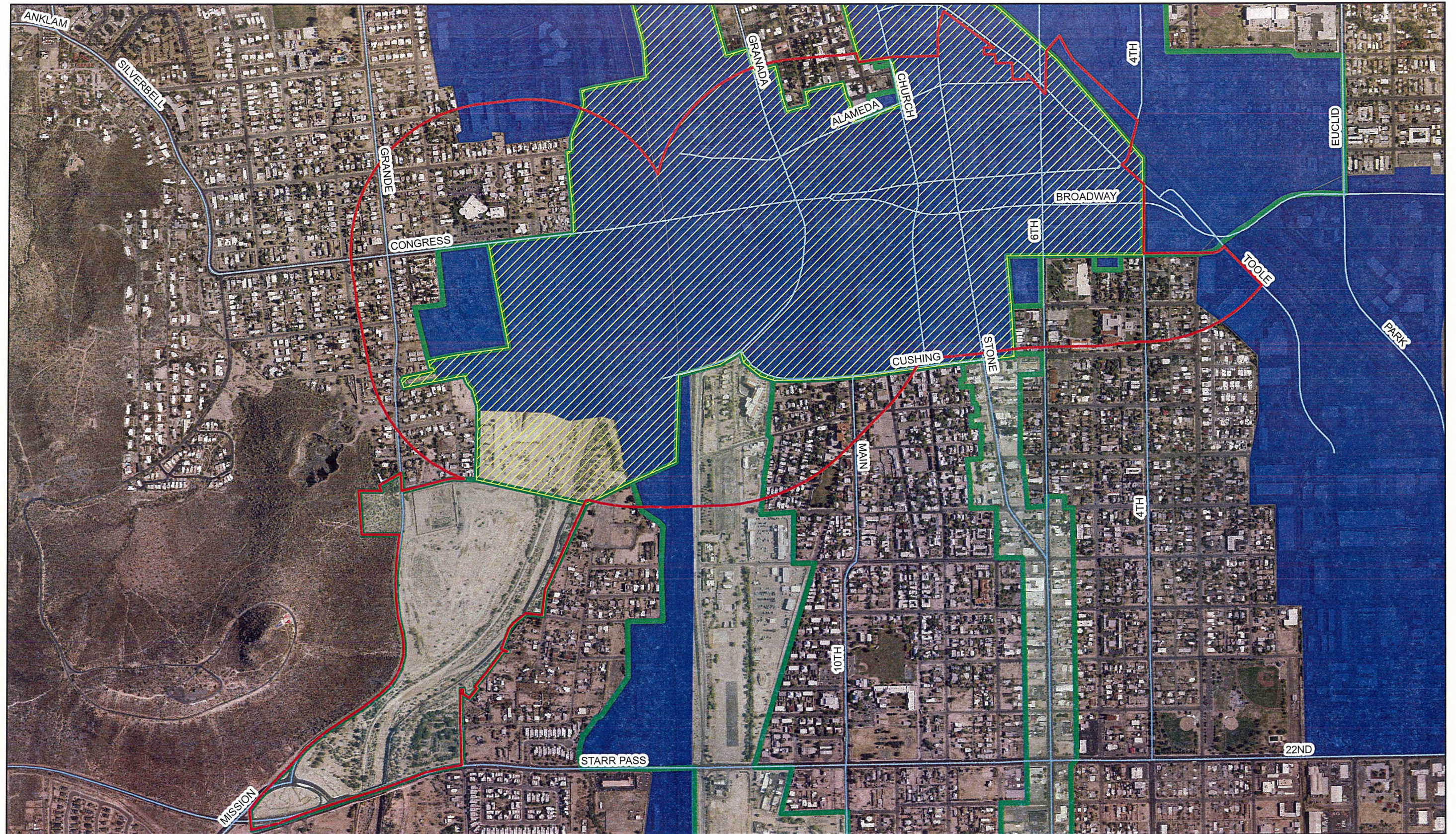
# Incentive Districts



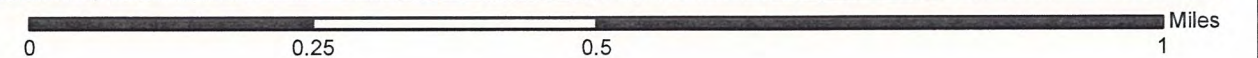
- Modern Streetcar
- Streetcar Land Use Study Area
- Greater Infill Incentive Subdistrict
- Downtown Core Subdistrict
- Downtown Links Overlay
- Rio Nuevo District
- Redevelopment District
- Main Gate Overlay



# Economic Incentives in ULI Plan Area



- ULI Study Area
- GPLET
- Downtown Financial Incentive District
- Infill Incentive District



Created: 10/29/13





# MAYOR & COUNCIL COMMUNICATION

April 17, 2012

Subject: Establishment of a Redevelopment Area and a Central Business District (Wards 1, 3, 5, and 6)

Page: 1 of 3

Issue – Mayor and Council consideration of the attached Resolution approving the Redevelopment Area, called the Downtown/Gateway Redevelopment Area. Following the adoption of the Downtown/Gateway Redevelopment Area, Mayor and Council can also consider a second Resolution approving a Central Business District, which is proposed to have the same boundaries as the Downtown/Gateway Redevelopment Area. A Public Hearing was held on April 3, 2012 to hear citizen comments on the proposed Redevelopment Area.

City Manager's Office Recommendation – Staff recommends that Mayor and Council adopt the Resolution approving the Downtown/Gateway Redevelopment Area, and following that approval, adopt the Resolution approving the Central Business District. The Redevelopment Area must be approved by a two-thirds vote of the Mayor and Council. Staff also recommends that Mayor and Council adopt the draft Statement of Intent related to the use of redevelopment tools within the Redevelopment Area.

Background – Mayor and Council have discussed the issue of establishing a redevelopment area and a central business district at the Study Sessions on January 24, February 22, February 28, and again at the Regular Session on April 3, 2012 (Public Hearing) and have given staff direction regarding the boundaries of the map. The April 3, 2012 Mayor and Council communication is attached for background purposes.

Present Consideration – Based on comments from the April 3, 2012 public hearing and Mayor and Council direction, the boundaries of the Downtown/Gateway Redevelopment Area have been adjusted (see attached map). Areas that have been removed include the East Broadway gateway, the South Stone/Five Point/South Sixth Avenue gateway, the northbound I-10 Frontage Road gateway, parcels north of 22<sup>nd</sup> Street east of South Park Avenue and the historic and cultural areas west of the Santa Cruz River.

Mayor and Council have also given staff direction to add several parcels to the proposed Downtown/Gateway Redevelopment Area. To add any parcels to the Downtown/Gateway Redevelopment Area once it is approved will require notification of the affected property owners and adoption of a resolution amending the underlying redevelopment area. Additionally, a resolution re-designating the expanded areas as the Central Business District will be required. Staff estimates this process will take 45-60 days to complete.

Once a Redevelopment Area has been adopted, State law requires that a Redevelopment Plan be drafted for the Redevelopment Area. According to A.R.S. 36-1479 B, “a redevelopment plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the redevelopment project area.”

MAYOR AND COUNCIL COMMUNICATION  
Establishment of a Redevelopment Area and a Central Business  
District (Wards 1, 3, 5, and 6)

Page: 2 of 3

State law does not provide a deadline for drafting a redevelopment plan; however staff will begin working on the redevelopment plan once the Redevelopment Area has been adopted by the Mayor and Council and it is anticipated that the Plan will be completed within 6 to 12 months. City staff will return to the Mayor and Council with a draft scope for the Redevelopment Plan work.

As required by State law, prior to its approval of a redevelopment plan, the Mayor and Council shall submit the draft plan to the Planning Commission for review and recommendations as to its conformity with the City's General Plan. The Planning Commission shall submit its recommendations to the Mayor and Council within 30 days after receipt of the plan for review. The City is then required to hold a Public Hearing concerning the adoption of the proposed plan. The City must notify each owner of real property within the boundaries of the Redevelopment Plan area of the time, date, and location of the Public Hearing. The City must also publish a public notice in the newspaper once each week for two consecutive weeks, the last publication to be at least ten days prior to the date set for the hearing. The public notice shall describe the time, place and purpose of the hearing and shall also generally identify the area to be redeveloped under the plan. At the hearing, all interested parties shall be afforded a reasonable opportunity to express their views with respect to the proposed redevelopment plan. Approval of a redevelopment plan requires a two-thirds vote of the Mayor and Council.

The City of Tucson will conduct an open and transparent process and will engage interested stakeholders in this planning process, including property owners located within the boundaries of the Redevelopment Area, registered Neighborhood Associations within the boundaries and within one-quarter mile of the boundaries, and other interested stakeholders. All planning process meeting notices will be prominently advertised on the City website at <http://cms3.tucsonaz.gov/business/cdb>.

The Redevelopment Plan will delineate how the City will use a Government Property Lease Excise Tax (GPLET) and other tools to revitalize the Redevelopment Area. A "Statement of Intent" for the use of a GPLET can help mitigate public concerns and can provide an understanding for how the Mayor and Council intend to use the redevelopment tools available to the City. Staff proposes the following draft Statement of Intent for use of a GPLET and other redevelopment tools within the Downtown/Gateway Redevelopment Area:

**The City of Tucson will approve the use of a GPLET only for projects deemed to create significant economic development activity within downtown Tucson or the gateways leading to the downtown area. Properties selected for GPLET use will serve as a catalyst for other development opportunities within this area. Vacant and underutilized properties will be the primary focus for the use of a GPLET. With regard to a GPLET agreement for properties that include buildings listed on the National Register of Historic Places (NRHP) or buildings eligible for listing on the NRHP, the City will preserve such historic buildings; if they are to be improved or have new additions, those changes will follow the Secretary of the Interior's Standards for Rehabilitation to ensure that their historic statuses are maintained. Condemnation of property is not a primary objective of the adoption of this**



MAYOR AND COUNCIL COMMUNICATION

Page: 3 of 3

Establishment of a Redevelopment Area and a Central Business District (Wards 1, 3, 5, and 6)

**Redevelopment Area and its use is not anticipated within the Redevelopment Area; and the use of eminent domain/condemnation for slum clearance is not anticipated within this Redevelopment Area.**

Financial Considerations – There is no cost to designate a redevelopment area or a central business district, nor do these designations commit the City to any future expenditure.

Legal Considerations – Two resolutions are before the Mayor and Council for approval: 1) Resolution adopting the Downtown/Gateway Redevelopment Area, and 2) Resolution adopting a Central Business District. A Central Business District must reside within the boundaries of an approved redevelopment area. The Redevelopment Area must be approved by a two-thirds vote of the Mayor and Council.

Respectfully submitted,



Liz R. Miller  
Assistant City Manager

RM:AE:ck  
Housing and Community Development Department

Attachments: Proposed Downtown/Gateway Redevelopment Area Central Business District Map (with revisions)  
Mayor and Council Communication dated April 3, 2012  
Resolution - Downtown/Gateway Redevelopment Area  
Resolution - Central Business District



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## ABOUT

### BUSINESS IMPROVEMENT DISTRICT

The "Downtown Tucson Enhanced Municipal Services Improvement District," known as the BID, was created in 1998 pursuant to state statute and has been extended every 5 years since then. The services provided property owners within the BID are enhanced maintenance, enhanced security, marketing and public relations, advocacy, and economic development. The Downtown Tucson Partnership was formed specifically for the purpose of providing enhanced municipal services to the BID, which the City has determined in its ESA contracts with us that we can do more efficiently and effectively than the City.

View a map of the [Business Improvement District boundaries](#) (pdf)

Annual Reports of the Downtown Tucson Partnership:

- [Fiscal Year 2011-12](#) (pdf)
- [Fiscal Year 2010-11](#) (pdf)
- [Fiscal Year 2009-10](#) (pdf)
- [Fiscal Year 2008-09](#) (pdf)
- [Fiscal Year 2007-08](#) (pdf)



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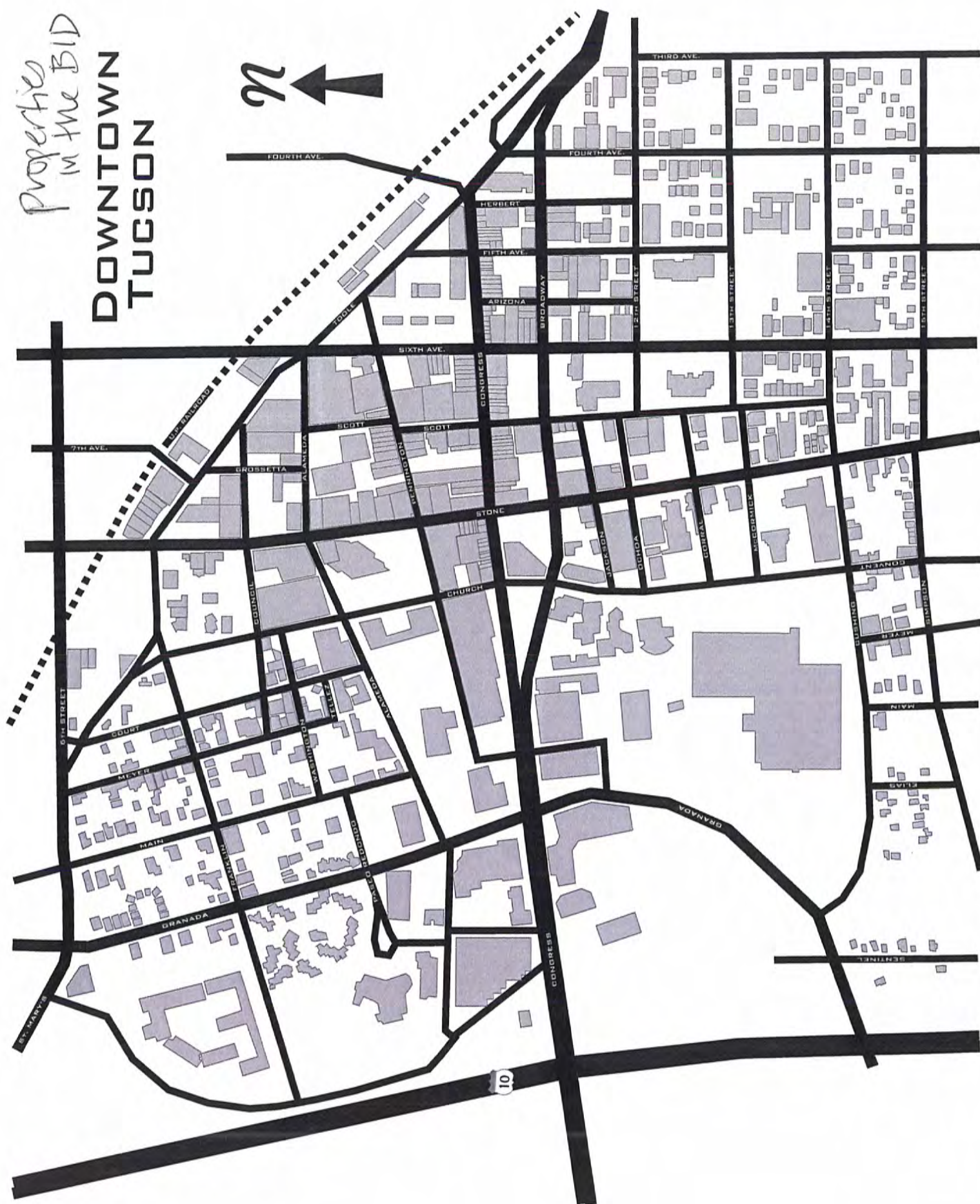


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# DOWNTOWN TUCSON







## ABOUT US

### Mission Statement

The Downtown Tucson Partnership is committed to making Downtown Tucson the most dynamic urban center in the Southwest.

The Partnership is a non-profit, 501 (c)(6) corporation, charged with acting as a catalyst for the re-development of Downtown. The organization was created in 1998 to implement the services for the **Downtown Business Improvement District**. These services include enhanced security, maintenance, marketing, festivals and events and economic development.



The Partnership's activities and expenditures are governed by a diverse **Board of Directors**, comprised of Downtown property owners and businesses, leaders of non-profits, arts, cultural and historical organizations, neighborhood leaders and representatives of the Partnership's primary partner, the City of Tucson. Many of Tucson's leading businesses such as Cox Communications, Providence Service Corporation, Gadsden and Unisource Energy Corporation also have representatives on the board. The Downtown Tucson Partnership's Board has



several advisory committees, which offer opportunities for the involvement of the general public; we welcome the involvement of Downtown's diverse stakeholders and the wider community.

The Downtown Tucson Partnership is a member of the International Downtown Association and partners with several local organizations that are involved with promoting Downtown.

### Information Statement

The Downtown Tucson Partnership is considering expanding services to further the revitalization of downtown Tucson and increasing private sector investment in the Partnership. Please visit the following link where you can view details of the [proposed increased services and budget](#).

[Contact us](#) if you have questions or would like more information.


Address: **110 E. Pennington Street, Ste.150, Tucson, AZ 85701**

Mailing Address: **PO Box 27210, Tucson, AZ 85726**


Phone: **(520) 837-6501**

Downtown Security: **(520) 940-1038**

Downtown Maintenance: **(520) 940-0806**

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